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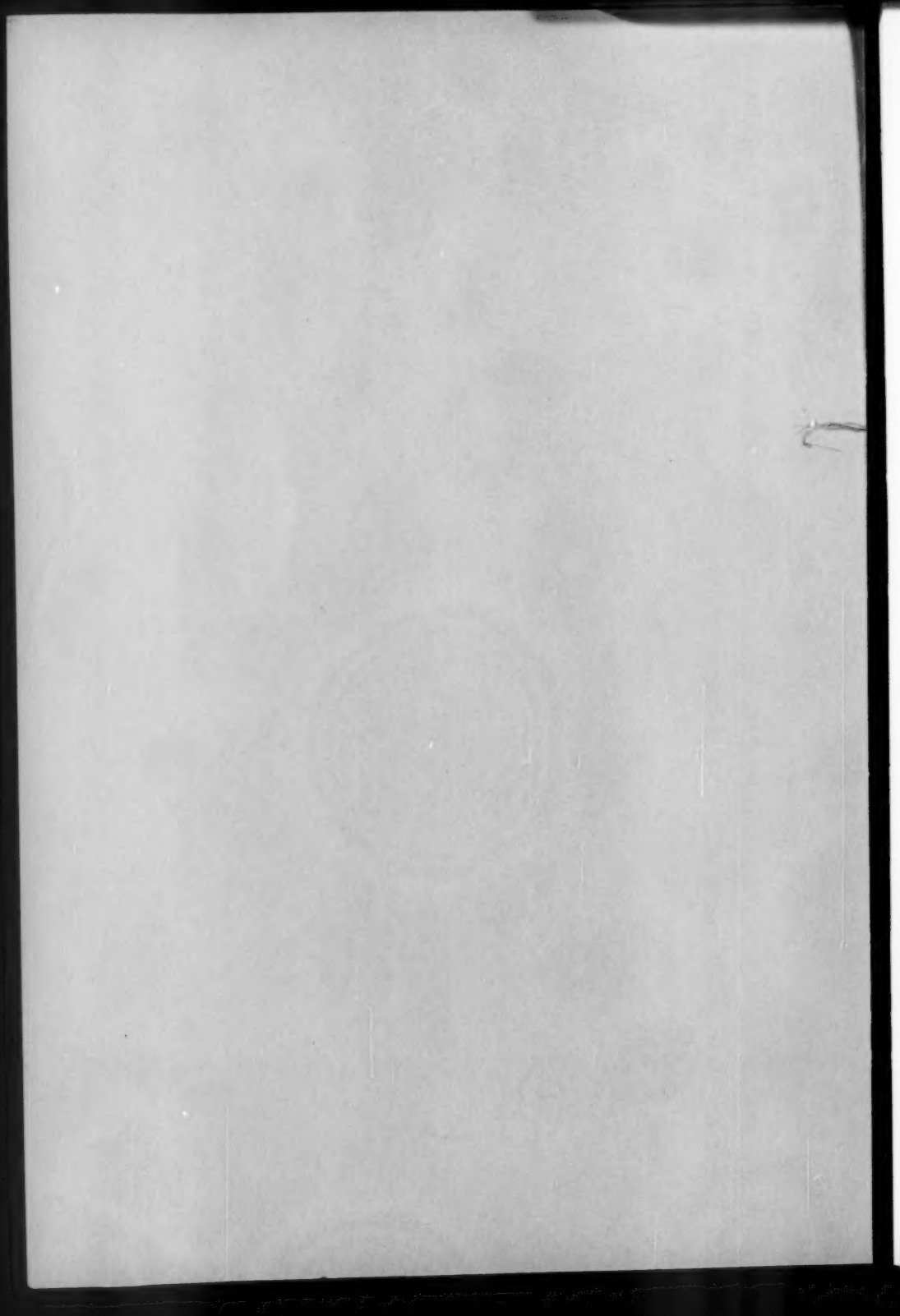
Agendas of the United Nations General Assembly

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Religious Organization and Economic Process in Indonesia

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A MAJOR BY-PRODUCT of the analyses of the factors making for, or impeding, economic development in the so-called underdeveloped countries of the world is the discovery of religious or other ideological forms of human motivation that shape the cultural specifics of their concepts of welfare and betterment in the production process. In that part of the world where the advanced features of the modern Western market economy and its industrial and financial ancillaries are still relatively novel imports, types of religious-familistic organization still prevail which, with varying degrees of effectiveness, dominate economic life. This paper seeks to illustrate this contention by three examples from the Indonesian sphere: the village and its various territorial and genealogical affiliations; the Islamic sacred foundations; and the *tsò bio*, or altar associations of the Indonesian Chinese. Although the data are limited to Indonesia, it is believed that they have relevance for a wider area.

I

The Indonesian village is "a close religious agrarian community,"¹ the members of which are united by the bonds of ritual, unwritten custom (*adat*), territorial loyalty, or genealogical descent, all of which may interact with the social and cultural patterns of overcapping intervillage, regional, clan, or tribal associations. In every sense the village is a distinct world unto itself,² whose chief characteristic is that its structure of social action appears to be a virtually monolithic and religious ethic; artistic expression, social obligation, political authority, and economic rights continuously overlap. Obeisance to the supernatural is the element that leavens the whole of vil-

¹ V. E. Korn, "Het Indonesische Dorp," p. 115, in W. H. van Helsdingen and H. Hoogenberk (eds.), *Daar Werd Wat Groot Verricht. Nederlandsch-Indië in de XXste Eeuw* (Amsterdam, Elsevier, 1941).

² N. D. Ploegsma, *Oorspronkelijkheid en Economisch Aspect van het Dorp op Java en Madoera* (Leyden, Antiquariaat J. Ginsberg, 1936), p. 5.

lage society. Thus, economic production in the traditional Balinese village has been well described as being concerned first with making it possible to render proper offerings and sacrifices to the deified ancestors, and second to satisfying the material needs of its members.³ Religion and agriculture shape the character of the Indonesian village culture and the time perspective of its members: "... for the Balinese chronology does not so much serve to determine historically the occurrence of mundane events, but rather . . . to maintain a certain rhythm in matters agricultural and religious and holy periods connected with them."⁴ Almost everywhere, too, recognition is given to the hallowed origin of the community—represented by the sacred ancestral pair, the first man and woman from whom the community descended and who, in the constellation of religious values, may, as on the island of Wetar, even be more important than the gods themselves.⁵ The font of creation is known and revered by the community, this holy spot whence the ancestral pair first emerged, and, as in Southern Sulawesi (Celebes), a large stone may be designated as *posi tana* ("navel of the earth"), or a plow may serve as the *aradjang* (religious ornament) of the regional community and be used ceremoniously once a year to commemorate its having been revealed to the sacred communal founder in a dream.⁶

The interrelationship between religion and economic process in Indonesian village society manifests itself in many different ways. Because of his religious competence, the head of the village or intervillage community is frequently also production chief of its economy.⁷ He is the sanctifier of what has been grown and the overseer of the methods used in growing it. The entire range of staples produced by the village is surrounded by religious considerations and ceremony. The cultivation of rice is a good example. Of divine origin, and under the special protection of the powerful goddess Devi Shri, rice is assigned a role of religious-agrarian importance accorded to no other food,⁸ though other commodities have a similar traditionally hallowed aura. For example, the makers of palm wine (known also in the West as *arak*), and the practitioners of the ancient craft of making a kris (creese),

³ Jef Last, *Bali in de Kentering* (Amsterdam, De Bezige Bij, 1955), p. 98.

⁴ H. T. Damsté, "Balisch Hindoeïsme," p. 98, in J. Poortenaar and W. P. Coolhaas (eds.), *Onder Palmen en Waringins* (Naarden, In Den Toren, 1946).

⁵ J. P. de Josselin de Jong, *Studies in Indonesian Culture II. The Community of Erai (Wetar)* (Amsterdam, N. V. Noorhollandsche Uitgevers Maatschappij, 1947), p. 19.

⁶ C. Nooteboom, "Aantekeningen over de Cultuur der Boeginezen en Makassaren," *Indonesië*, Vol. 2 (1948), pp. 246, 248.

⁷ Compare R. van Dijk, *Samenleving en Adatrechtsvorming* (The Hague, W. van Hoeve, 1948), p. 44.

⁸ Justus M. van der Kroef, "Rice Legends of Indonesia," *Journal of American Folklore*, Vol. 65 (1952), pp. 49-55; J. de Jong, *Het Geestesleven der Volken van Indonesië* (Groningen, Batavia, J. B. Wolters, 1948), pp. 27-28.

the well-known Malayan dagger, have always been venerated by their fellow citizens because of their special powers.⁹ Land, however, being the most common source of wealth and the chief element of the production process, is singled out above all other communal and individual assets as the most precious and sacred possession. The unity between the land, a given group of people, and the food they cultivate is the religious basis of Indonesian village society, celebrated even in "modernized" and secularized regions today in the simple sacred meal ceremony known as *selamatan*, during which the dominant religious-agrarian character of Indonesian folk society is most clearly evident.¹⁰

There is a magic character in the affinity between the villagers and their soil, and the area that has this special relationship to the human group is carefully circumscribed. The fixing and maintenance of the village boundaries is traditionally a religious act, and of such importance that, for example, on Bali, certain villagers enjoy the use of common land because "they guard the village area" (*manglanglang prebumian*) or "remember the boundaries" (*ngelinging wates pajar*).¹¹ Villagers and their land form, as it were, a magic whole, and respect for the magic balance of the ingroup is carried to great lengths.¹² From an economic point of view, the land area of the village ideally serves many primary needs. It consists not just of land under cultivation, but of—sometimes vast—uncleared reserves and woodland (to absorb possible increases in population and to supply wood and forest products), lakes, portions of rivers and river beds, marshland, and even the sea.¹³ With most, if not all, of these, the sacred relationship of the closed religious-agrarian corporation is traditionally maintained. In not a few areas, therefore, social distinctions and economic rights are determined by the extent to which the individual shares in the magic reservoir of the village community. There is, for example, that special group said to be descended directly from the sacred ancestral pair; these, as one authority has described

⁹ P. de Kat Angelino, "Over de Smeden en enige andere Ambachtslieden op Bali," *Tijdschrift voor Indische Taal-Land-en Volkenkunde uitgegeven door het Bataviaasch Genootschap van Kunsten en Wetenschappen*, Vol. 60 (1921), pp. 207-265.

¹⁰ Clifford Geertz, *The Social Context of Economic Change: An Indonesian Case Study* (Cambridge Center for International Studies, Massachusetts Institute of Technology, 1956), p. 13 (mimeo), and the same author's *The Development of the Javanese Economy: A Socio-Cultural Approach* (Center for International Studies, Massachusetts Institute of Technology, Cambridge, 1956), p. 94 (mimeo).

¹¹ V. E. Korn and R. van Dijk, *Adatgrondenrecht en Domeinfictie. Twee Critieken* (Gorinchem, J. Noorduijn en Zoon, N. V., 1946), p. 10.

¹² See, e.g., N. W. Lesquillier, *Het Adadelictenrecht in de Magische Wereldbeschouwing* (Leyden, Ijdo, 1934), p. 107; Justus M. van der Kroef, "The Indonesian Idea of God," *Journal of Religious Thought*, Vol. 14 (1956-57), pp. 43-54.

¹³ Compare B. ter Haar, *Verzamelde Geschriften I* (Djakarta, Noordhoff Kolff, 1950), pp. 305-306.

them on the island of Nias, are "the ancestors to be."¹⁴ In the central Javanese village generally, one distinguishes between (1) the nucleus group (*baku* or *gogol*), who are full-fledged members of the community and own land, compounds, and dwellings; (2) those referred to as *lindung*, who own either compound or land and have some rights; and (3) those who have neither land nor compound of their own and whose dwellings are on someone else's property.¹⁵ Over and beyond these are the village elders, with special functions and competencies. Traditionally only elders and nucleus villagers have a voice in village affairs; the others are newcomers who only after many years can begin to share in the prerogatives provided by the magic bonds of the communal ingroup.

Individual enterprise and labor methods in the Indonesian village interact closely with communal work patterns. The irrevocable alienation of common village land to an outsider or decisive interference with traditional cultivation methods is a relative rarity, but this does not mean that individual ownership of village land or mild innovation in work processes is altogether lacking within the overcapping communal controls. In parts of central Java, for example, individual holdings, with the right freely to dispose of the land, alternate with the limited rights to a share in the village common land and with restricted disposal rights, and both may be inheritable.¹⁶ Even before the Second World War custom law in Java had begun to make provision for permanent private ownership of land within the village area and, along with it, for the sale of such land to any outsider.¹⁷ Yet it would be a mistake to regard such individuating tendencies in landownership as having made much headway, even since the Indonesian Revolution.¹⁸ He who owns land in a central Javanese village and has the free use and disposal thereof will find it difficult if not impossible to overcome the communal traditions against permanent alienation outside his family, and the village continues to

¹⁴ Van Dijk, *op. cit.*, p. 62, n. 28.

¹⁵ B. ter Haar, *Adat Law in Indonesia* (New York, Institute of Pacific Relations, 1948), p. 72.

¹⁶ Robert R. Jay, "Local Government in Rural Central Java," *Far Eastern Quarterly*, Vol. 15 (1956), p. 217.

¹⁷ C. Lekkerkerker, *Land en Volk van Java* (Groningen, Batavia, J. B. Wolters, 1938), pp. 569-570. Great variations exist in Indonesia as to the degree of supervisory communal control customarily exercised along with private ownership. In west Java, for example, the erosion of communal rights led early to virtually unrestricted private ownership and disposal rights. In central and in east Java, in contrast, communal disposal powers have remained much longer, resisting alienation to outsiders and ensuring village control over all land in the collective interest—W. Huender, *Overzicht van den Economische Toestand der Inbeem-sche Bevolking van Java en Madoera* (The Hague, Nijhoff, 1931), pp. 21-22.

¹⁸ Compare Sukanto, *Meninjau Hukum Adat Indonesia* (Jakarta, P. T. Pembangunan, 1954); Hasan Shadily, *Sosiologi Untuk Masyarakat Indonesia* (Jakarta, P. T. Pembangunan, 1955).

exercise an unofficial supervisory control over the purpose for and the manner in which such land is used. Elsewhere in Indonesia communal land rights are even stronger and more explicit.

Following the analysis of Vink, one might perhaps distinguish the following three major types of land and production controls in Indonesian rural society:¹⁹

Tribal enterprise, with variable controls over the production of family units and of the individual.—This type includes those socio-economic structures in which broader genealogical or territorial associations absorb the smaller village settlements proper; the latter are dependent on the economic directives of tribal, clan, or regional communal chiefs. An example is the society of the Kenya Dayas in central Kalimantan (Borneo). Here the tribe, subdivided into lineages and families, each with its separate dwelling, controls the clearing of communal fields and magico-religious process of sowing. All that fishing and hunting provide is customarily shared with others; only the cultivation of fruit trees is left to the individual. A roughly similar arrangement prevails among the Mentawai Islanders, among whom the *uma*, or clan, with its separate "long house," equally controls the entire production process, and the individual shares in commonly owned land and harvest. In a few regions a greater degree of individualism within the context of genealogical controls may appear, and the individual virtually "owns" his land and is primarily responsible for its clearing and sowing. But even in these circumstances, as among the Toradjas or Sulawesi, alienation of rice fields by selling to an outsider is regarded as improper. If a Toradja moves away, he customarily gives his land freely to relative or friend.²⁰

Village or community enterprise, with variable controls over family units and the individual.—In this category we find the most frequent form of communal enterprise and control, the one that is spreading throughout Indonesia as traditional concepts of extended kinship and their loyalty patterns make way for territorial affiliation. The village in Java is an example, but there are other related forms throughout the Indonesian islands. On Ambon, in eastern Indonesia, tribe and extended familial structures have withered away, and communal controls over production are vested in the *dati*, or lineages, which in turn tend to be increasingly subordinate to the *negory*, or territorial village. The latter has full disposal rights over uncleared fields and the water supply. Even within the *negory* certain types of holdings (e.g., sago trees) cannot be alienated outside a *dati*; other fields may be in-

¹⁹ G. J. Vink, *De Grondslagen van het Indonesische Landbouwbedrijf* (Wageningen, H. Veenman & Zonen, 1941), pp. 26-49.

²⁰ *Ibid.*, pp. 27-29.

dividually owned but cannot be sold to other than fellow-members of the negory.²¹

Individual enterprise, with few or no controls by territorial or genealogical units.—This type of production, in which the individual owns his land and other production tools with virtually no interference by his family or community and disposes of his crop as he chooses, is as yet a relative rarity in Indonesia. Where it occurs, we encounter ancient autochthonous socio-economic patterns as well as the forms of modern private enterprise. In the first category belongs the typical agrarian production process of the Achenese of north Sumatra, where communal rights are in fact limited to some areas of virgin forests and to meadows. Houses, compounds, and fields are freely and individually owned, though alienation outside the sparsely settled communities hardly occurs. Communal religious ties to the soil have been greatly weakened, though traces of them are left.²² Still, the collective, co-operative character of the Indonesian socio-economy, advanced by practically every major Indonesian political theorist, has led to official emphasis on, and encouragement of, the *gotong-rojong* (mutual assistance) tradition in the village society, to peasants' co-operatives and common work-projects, nurtured not by a fading indigenous tradition but by the modern socialistic rationale that underlies so much of Indonesian nationalism.²³

Thus the new collectivism is subtly made to blend with the old. In this third category of production the individual, loosened from his traditional genealogical or territorial setting, is provided with a deliberately revived concept of traditional communalism sanctioned by nationalist ideology. But almost everywhere else in Indonesia the older, autochthonous patterns of religious cohesion survive. Indeed, the very mechanics of the Indonesian village production process can be explained properly only by reference to the prevailing religious ethic. This is not the place to analyze the principle of the so-called "dualistic" economic theory as developed by the late J. H. Boeke. Suffice it to say that the peculiarities of the Indonesian peasant economy described by Boeke²⁴—for example, the predominance of a subsistence outlook and the relatively low level at which the supply curve of effort and risk-taking begins to bend back, the preference for consumer

²¹ *Ibid.*, pp. 38–42. See also C. van Vollenhoven, *Het Adatrecht van Nederlandsch-Indië* (Leyden, E. J. Brill, 1918), pp. 396–399, 413–417, 274–275, 283.

²² Vink, *op. cit.*, pp. 47–49.

²³ Justus M. van der Kroef, *Indonesia in the Modern World* (2 Vols., Bandung, Indonesia, N. V. Masa Baru, 1954–1956), Vol. I, pp. 94–132.

²⁴ See J. H. Boeke, *Economics and Economic Policy of Dual Societies as Exemplified by Indonesia* (New York, Institute of Pacific Relations, 1953); *The Interests of the Voiceless Far East. Introduction to Oriental Economics* (Leyden, Universitaire Pers, 1948); "De Economische Theorie der Dualistische Samenleving," *De Economist*, Vol. II (1935), pp. 773–811.

objects traditionally believed to be magically endowed (gold, jewelry, land) instead of for investment in more productive capital goods, the overriding significance of social obligations in the demands of the market—all these and more find their origin in the supernatural-sanctioned ethics of a closed agrarian community whose members regard themselves more as links in a magic chain of communal solidarity than as individual producers in a more or less self-regulating pattern of economic exchange.²⁵

II

The second example of economic activity in Indonesia operating within a religious context is the corporate religious and educational foundations inspired by Islam and controlled by its clerics and scholars. Before proceeding with a sketch of their role and importance it is necessary first to deal briefly with the development of Islam in Indonesia.

By the twelfth century A.D., Islam, brought by traders from the Indian subcontinent, was beginning to strike roots in Indonesia, mainly along the coast of the major islands, with their many harbor principalities. These principalities had a cosmopolitan character, with separate "quarters" or "streets" for merchants and craftsmen of many different Asian nationalities.²⁶ The foreign merchants' quarters almost certainly formed the nuclei from which the faith gradually spread through the Indonesian islands,²⁷ usually blending subtly with pre-Islamic, animistic, and Hindu-Indian beliefs, and it is clear that later Islamic kingdoms in Indonesia, such principalities as Kutai and Bandjarmassin on Kalimantan (Borneo), grew out of earlier trading colonies under Hinduized Javanese influence.²⁸ Islam and commerce have, therefore, a close connection in Indonesian social evolution,

²⁵ Boeke's theories have aroused a lively controversy. For recent analyses attacking his position, see Benjamin Higgins, "The 'Dualistic Theory' of Underdeveloped Areas," *Ekonomi dan Keuangan Indonesia*, Vol. 8 (1955), pp. 58-78; D. H. Burger, "Boeke's Dualism," *Indonesië*, Vol. 7 (1954), pp. 177-198; and R. Kool, "Theoretische Economie en Tropische Ontwikkeling," *Indonesië*, Vol. 9 (1956), pp. 487-509. For a defense and amplification of Boeke's concepts, see N. J. Feldmann, *De Overheidsmiddelen van Indonesië in verband met de Dualistische Economie* (Leyden, H. E. Stenfort Kroese, 1949), pp. 135-186; A. H. Ballendux, *Bijdrage tot de Kennis van de Credietverlening aan de "Indonesische Mid-denstand"* (The Hague, Excelsior Foto Offset, 1951); and Justus M. van der Kroef, "Economic Development in Indonesia: Some Social and Cultural Impediments," *Economic Development and Cultural Change*, Vol. 4 (1956), pp. 116-133.

²⁶ J. C. van Leur, *Eenige Beschouwingen betreffende den Ouden Aziatischen Handel* (Middelburg, G. W. den Boer, 1934), *passim*, especially pp. 126-127.

²⁷ F. H. van Naerssen, *Cultuurcontacten en Sociale Conflicten in Indonesië* (Amsterdam, J. M. Meulenhoff, 1946), p. 11.

²⁸ *Ibid.*, p. 23, and H. T. Damsté, "Islam en Siripoen te Bima (Soembawa). Atjehse Invloeden?," *Bijdragen tot de Taal-Land-en Volkenkunde van Nederlandsch-Indië, uitgegeven door het Koninklijk Instituut voor de Taal-Land-en Volkenkunde van Nederlandsch-Indië*, Vol. 100 (1941), pp. 55-70.

and it would seem that the intensification of Islamic influence in the sixteenth and seventeenth centuries occurred as a defensive reaction by Indonesian rulers to the first large-scale appearances of European traders in their world.²⁹ While on Java there always remained a certain aristocratic aversion to Islamic fanaticism, there can be little question that conversions to the faith at the courts and among the Javanese nobility also led to a broadening of Islamic practices, if not of beliefs, in the folk society.³⁰ Elsewhere in Indonesia, for example, in Achin (north Sumatra), in the Minangkabau (west Sumatra) and among the Buginese and Makassarese of Sulawesi (Celebes), Islamic purism, undiluted by indigenous folk animism, appears to have won even greater popular support, and groups of *ulama* ("scholars of the writ") and mosque personnel (there is no formal ordained priesthood in Islam) became a distinct socio-political elite.

This elite began in time to play a role of major significance in the accumulation and administration of various types of religious property. Because of the extremely decentralized character of the Islamic ecclesiastical structure, there has long been a tendency for each mosque to be a virtually autonomous fiscal administrative unit. Mosque personnel tend even today to come from an exclusive group—from those related to functioning clerics or claiming descent from Arab immigrants or *badjis* (the term *badji* designates one who has made the pilgrimage to Mecca, one of the principal five requirements of the Muslim). In Indonesia the head of the mosque, called *pengulub*, is usually a scholar of repute, versed in the Koran, *badith* (tradition), and the *ilm-al-fikih* (the Muslim doctrine of duties). He is assisted by several lesser officials. The faithful traditionally inhabited a separate quarter in the larger Indonesian cities, known as *kauman* ("the quarter of the pious").³¹ Those who take their Islam as seriously and in as pure a form as possible (usually called *santri* in Indonesia) still stand apart from their more eclectic countrymen (*abangan*), and the long-standing antagonisms between the two segments of society, which have been sketched elsewhere,³² tend to augment the closed corporate character of the whole Islamic community.

²⁹ W. F. Wertheim, *Indonesian Society in Transition. A Study of Social Change* (The Hague, Bandung, W. van Hoeve, 1956), p. 196.

³⁰ On these folk adaptations of Islam, see Justus M. van der Kroef, "Folklore and Tradition in Javanese Society," *Journal of American Folklore*, Vol. 68 (1955), pp. 25-33.

³¹ R. L. Mellema, *De Islam in Indonesië (in het bijzonder op Java)*. Koninklijke Vereniging "Indisch Instituut." Mededeling No. LXXVII (Amsterdam, de Bussy, 1947), pp. 16-17.

³² Justus M. van der Kroef, "Some Social and Political Aspects of Islam in Indonesia," *Islamic Review* (London), July, 1957, pp. 33-39 and the same author's "The Role of Islam in Indonesian Nationalism and Politics," *Western Political Quarterly* (March, 1958). See also Clifford Geertz, "Ritual and Social Change: A Javanese Example," *American Anthropologist*, Vol. 59 (1957), pp. 32-54.

The officials of the mosque, in conjunction with the *badjis* and *ulama* in the surrounding Muslim community, may in time acquire supervision and the right of disposal over considerable property. Some of this property consists of offerings in cash, produce, cattle, jewelry, and all manner of consumer goods brought by the faithful to mosque officials and teachers as a charitable offering (*zakat*), such offerings being prescribed for all Muslims as one of the major requirements of their faith. Usually intended for assistance to the indigent, the *zakat* in many areas of Indonesia serves also to maintain the mosque and pay its officials. Of a similar nature is the *pitrah*, also a tax in the nature of a charitable gift, bestowed usually at the end of the formal fasting period and customarily also tendered to mosque officials, the *ulama*, or local teachers. Whereas the *pitrah* has a more personal character and is paid exclusively in produce, the *zakat* tends to comprise a fixed percentage of one's total income and varies in nature. In strongly Muslim Achin, in north Sumatra, the *pitrah* is in fact regarded popularly as wages due the Muslim clerics for their community services.³³ Both *pitrah* and *zakat* supply the leaders of the Muslim community with a steady source of income of potential importance in the deployment of rural and urban economy. For one thing, the relationship between the mosque official, the *ulama* or the religious teacher in the village toward the *pitrah*-paying believers may acquire in time a highly exploitative creditor-debtor character. In the notoriously debt-ridden Indonesian countryside, concealed credit transactions between the moneylender and his peasant borrowers are too numerous to mention, and the initial accumulation of a little cash or other negotiable income via *zakat* or *pitrah* sets a Muslim cleric up for life in the consumer credit business. This he frequently combines with the indispensable middle-man functions in the Indonesian peasant economy—for example, the purchase of the crop, advancing credit on an unharvested crop, selling seeds, tools, and other commodities, and so on. In some areas of Indonesia, *pitrah* and *zakat* contributions may be used for any endeavor that defends or expands the community of believers.³⁴ As an example, private armies may be maintained by the *ulamas* to fight the infidel (i.e., the Dutch in the colonial period, or an *abangan*-minded national government today).³⁵ In any event *zakat* and

³³ J. J. van Waardenburg, *De Invloed van den Landbouw op de Zeden, de Taal, en Letterkunde der Atjehers* (Leyden, Dubbeldeman's Boeknandel, 1936), p. 28.

³⁴ Mellema, *op. cit.*, pp. 35–36.

³⁵ A further example of the latter would be the Darul Islam movement in west Java, and its allies, the Muslim extremist groups led by Daud Beureueh in Achin, north Sumatra, and by Kahar Muzakkar in south Sulawesi, which seek the establishment of an orthodox all-Islamic state in Indonesia and are opposed to the secularist structure of the present Indonesian Republic.

pitrah are important religion-sanctioned devices for capital formation by individual leaders of the Indonesian Muslim community.

A second source of income for the Muslim clerical community is provided by *wakap* property. By *wakap* (from the Arabic *wagf*) is understood the process of withdrawing property from secular control, including taxation, and placing it under the supervision of a mosque, shrine, or Muslim educational institution. It may thus have the nature of a bequest, the interests or proceeds therefrom maintaining the religious foundation and its personnel. The land and buildings of a mosque are almost invariably *wakap*. In west Java the whole of the arable land belonging to a village, the gardens, fishponds, houses, and compounds may at some distant time have been placed under *wakap* by some monarch or noble, and the village headman, the *pengulu*, or the *ulama* of the community has been charged to use the income of the village, at least in part, for the upkeep of the donor's grave. In central Java—ancient heartland of traditional Javanese culture and historic glory—entire communities are *wakap*, sometimes supervised by a single *ulama* and his descendants, or again by the members of a *tarékat* (Muslim mystic brotherhood), or by the leader of a *pesantren* (a small school for future *ulama*, in which instruction revolves around the study of Islamic law and tradition).³⁶ Such villages still have an aura; they are referred to as *desa perdikan* ("free villages," i.e., free from the payment of land rent and other taxes), and they have retained most of their privileges until this day, at least in central and east Java. The public law of the Indonesian Republic has tended to follow the provisions of the older colonial code also in this respect. Frequently the villages are venerated because of the grave or shrine of some puissant prince or holy one; a *pesantren* with its *pondok* (dormitory) usually stands near by. Here a *guru* or *kiajib* (Muslim teacher), surrounded by his students, keeps local tradition alive as he instructs in the mysteries of the faith. Men go about dressed in white to signify that they are true *wong kaputiban* ("the white people," i.e., bona fide Muslims), and all manner of ancient honorific offices, such as that of the *djuru kuntji*, or key-bearer, who acts as porter-caretaker of the shrine, still survive. Economic life is still focused on the original sacred *wakap* function of the village, whose inhabitants have traditionally regarded themselves as a class apart from other men; having been entrusted with their mission by one of their kings, they submit to the all-encompassing direction of their hereditary *ulama* and *kiajib*, the socio-political pivot of their community.³⁷

³⁶ L. W. C. van den Berg, "De Mohammedaansche Geestelijkheid en de Geestelijke Goederen," *Tijdschrift voor Indische Taal-Land en Volkenkunde Uitgegeven door het Bataviaasch Genootschap van Kunsten en Wetenschappen*, Vol. 27 (1882), pp. 21–40.

³⁷ Data from personal observation of the *wakap* village Tegalredjo (near Djokjakarta,

But as in the case of the *zakat* and *pitrah*, *wakap* property, intended primarily for the perpetual upkeep of some religious structure or foundation and for maintaining also the future generations of Islam's servants, has at times also provided valuable support for the trade and industry carried on by Muslim merchants (originally often of Arab extraction). Not only has the *ulama* administrator of *wakap* income tended to strengthen his own economic position with it, but by investing in the mercantile enterprises of his brethren in the faith, in the countryside as well as the cities, he has bolstered and heavily favored the position of the Muslim *santri* entrepreneur at the expense of the *abangan* businessman. It is hardly surprising that in many areas the *santri* merchants form the most prosperous and the most dynamic element in the community. Moreover, the purely religious objective of *wakap* property has tended to decline with the quickening of indigenous Indonesian business activity in this century, so that "actually land and property can be made 'wakap' for any reason that does not conflict with sacred law."³⁸ Advancing the interests of the Muslim business community has thus come to be interpreted as constituting a legitimate part of that general effort to strengthen the *Darul Islam* (Muslim community) and its members, an effort which Muslim law so highly commends. This view is wholly in accord with the practice of employing *zakat* and *pitrah* also for the armed defense or the expansion of the Islamic faith.

A similar tendency is noticeable in the function of the *pesantrèn* in Indonesian rural society.³⁹ These institutions are part of the web of Muslim religious instruction that covers Indonesia, and each in a way is an important nucleus of sacred belief and ritual that meshes with the pre-Islamic animistic and pantheistic beliefs of the Indonesian peasantry. *Pesantrèn* are usually founded and led by a local *ulama*, who, having returned as a revered *hadji* from his pilgrimage to Mecca, establishes himself as teacher and scholar of the writ. Gradually, as he attracts students, his fame may grow—and his property as well. Gifts and bequests plus a ready reservoir of willing student labor, sparked by an austere mode of life emphasizing thrift and energy as

central Java), which maintains the erstwhile *dalem* (court) of Prince Diponegoro (1785–1855), an early champion of Javanese independence against the Dutch. See also Lekkerkerker, *op. cit.*, pp. 528, 573–574 and *Tijdschrift van het Binnenlandsch Bestuur*, Vol. 21 (1901), pp. 355–395. A good description of the legal aspects of the *wakap* village and the *desa perdikan* is to be found in the essay "Vrije Desa's" (1895) from the pen of the famous Dutch Islam scholar C. Snouck Hurgronje, and recently reissued in *Ambtelijke Adviezen van C. Snouck Hurgronje 1889–1936*, ed. E. Gobée and C. Adriaanse (The Hague, M. Nijhoff, 1957), Vol. I, pp. 722–735.

³⁸ Ter Haar, *Adat Law in Indonesia*, p. 144.

³⁹ On life in the *pesantrèn* and other Muslim schools, see C. Snouck Hurgronje, *Verspreide Geschiedenissen* (Bonn, K. Schroeder, E. Brill, 1924–1926), Vol. IV, No. 1, pp. 155 ff.

sure ways to win favor in Allah's eyes, quickly make him an entrepreneur in a class apart from others in the village society.⁴⁰

In concluding this section, it may be observed that throughout Indonesia Islam has been a major cohesive force in the organization of the Indonesian economy. The present-day observer of the Indonesian scene is impressed by the manner in which Islam has provided the basis for a host of organizational forms, from labor unions to peasants' co-operative, that participate meaningfully in national development. Particularly noteworthy has been the effect of Islamic reform since the turn of the last century on the growth and aspirations of a new entrepreneurial class in Indonesia. In the rationalism, cosmopolitanism and emphasis on a dynamic employment of individual energy that characterizes the modern trends of the faith, its members find the inspiration and justification for a new economic mentality.⁴¹

III

The final illustration of the enduring influence of religious organizational structure on the economic patterns of Indonesia is the *tso bio*, or, in Indonesian, *rumah abu* ("house of ashes"), institutions that can perhaps best be described by the term "altar associations." Common among the Chinese in Indonesia, both native-born as well as immigrants, the *tso bio* are typical expressions of the religious character of Chinese familism as developed in the Confucian system,⁴² combined with effective control over corporate property in an environment frequently hostile to Chinese economic interests.

With an estimated 2.3 million members, the Chinese form the largest minority in Indonesia, and well before the colonial era they had come to play a major role in a variety of fields.⁴³ The vicissitudes of Dutch colonial administration, whose representatives alternately commended their thrift and contribution to the tropical economy, and deplored and persecuted them for their rapacious exploitation of the Indonesian peasant, tended to confirm the traditional cultural exclusiveness of the Chinese, even of those who were

⁴⁰ Clifford Geertz, "Religious Belief and Economic Behavior in a Central Javanese Town: Some Preliminary Considerations," *Economic Development and Cultural Change*, Vol. 4 (1956), pp. 145-146.

⁴¹ Justus M. van der Kroef, "Social Structure and Economic Development in Indonesia," *Social Research*, Vol. 12 (1957), pp. 394-418.

⁴² On the socio-religious role of the Chinese family, see Shu-ching Lee, "China's Traditional Family," *American Sociological Review*, Vol. 18 (1953), pp. 272-273; and Olga Lang, *Chinese Family and Society* (New Haven, Yale University Press, 1946).

⁴³ On the economic function of the Chinese in Indonesia, see W. Y. Cator, *The Economic Position of the Chinese in the Netherlands-Indies* (Oxford, Blackwells, 1936); Ong Eng Die, *Cbinezzen in Nederlandsch-Indië. Sociografie van een Indonesische Bevolkingsgroep* (Assen, van Gorcum & Co., 1943); Justus M. van der Kroef, "Problems of Chinese Assimilation," *Indonesia in the Modern World*, Vol. I.

born and bred in the Indonesian islands and were styled *peranakan* ("children of the country"). The uncertainty of their position in Indonesia undoubtedly contributed to the perpetuation of closed familial forms of business enterprise among the Chinese and to the growth of typical family corporations and unique intraethnic partnerships and associations (*kongsi* or *djulu-djulu*). Since Indonesia officially attained her independence at the close of 1949, the position of the Chinese has, if anything, become even more uncertain, notwithstanding various efforts to reach *rapprochement* with Peking over the troublesome issue of Chinese citizenship.⁴⁴ The continued pre-eminence of the Chinese in many sectors of the economy has led the Indonesian government to a number of discriminatory measures. Conflicts within the Chinese group—between "newcomers" and native-born, between the tradition-bound older generation and the modern-minded younger one, and between sympathizers of the Chinese nationalist government on Formosa and supporters of the Peking regime—have further tended to increase the undertone of insecurity.⁴⁵

Under these circumstances it is understandable that the Chinese business group in Indonesia has attempted to reduce its vulnerability as much as possible by withdrawing, in effect, a sizable segment of its operations from the scrutiny of public agencies and by conducting its affairs within the traditional protective confines of its ancient familist system. It is because of this that the *tso bio* has gained in prominence over the years. Recognized by both colonial and present national law as corporate private associations with statutes duly registered and approved by the government, the ostensible purpose of a *tso bio* is the administration of a trust fund, established usually by last will and testament, for the maintenance of an ancestral grave, the upkeep of family shrines or temples (the *rumah abu* proper), the payment of such costs as are connected with the performance of the rituals of ancestor veneration, the financing of the education of the male descendants of the deceased, and for any additional objectives in keeping with the religio-familistic purpose of the association. Members of the association will have in the first instance already been designated by the deceased during his lifetime; they include his close relatives and their spouses, but may also comprise, when duly voted on by the association, distant members of the family,

⁴⁴ Just prior to the Asian-African Conference held in Bandung in 1955, Peking and Djakarta announced agreement on a measure determining the present and future citizenship of the Chinese in Indonesia. For its provisions, see *Far Eastern Survey*, Vol. 24 (1955), pp. 75-76.

⁴⁵ On these and other problems of the Chinese minority in Indonesia since independence, see Virginia Thompson and Richard Adloff, *Minority Problems in Southeast Asia* (Stanford, Stanford University Press, 1955), pp. 48-53; and Justus M. van der Kroef, "Minority Problems in Indonesia," *Far Eastern Survey*, Vol. 24 (1955), pp. 129-133.

friends, business associates, and so on. The association elects a slate of officers charged with the execution of the bequest. Although the colonial period inheritance statutes that demanded close registry and supervision over *tso bio* and similar institutions by the fisc,⁴⁶ are no longer in force, the *tso bio* can still become a headache for fiscal authorities. As early as 1926 an official of the colonial government's accountancy service complained that the number of *tso bio* that were founded with certain "ulterior objectives" was so great, and in consequence "tax evasion so important," that continued fiscal vigilance was required.⁴⁷ There can be no question that *tso bio* have accumulated in one way or another large quantities of liquid capital and real estate. As disguised mercantile corporations, they have successfully evaded corporation and other taxes and utilized their funds for purposes quite different from the ostensible religious and familial ones. In the present fiscal confusion⁴⁸ and administrative inefficiency in which Indonesia finds itself, the *tso bio* have enlarged the sphere of their activities. In the capital city of Djakarta alone their total number was estimated at over three hundred in early 1957, and in such larger cities as Bandung and Surabaya their control, often of an interlocking nature, over compounds, houses, and other real estate is considerable.⁴⁹

Not only do certain unfavorable factors of the Indonesian environment encourage the growth and perpetuation of the *tso bio*, but what might be called certain "internal peculiarities" of Chinese enterprise make the institution something of a necessity. For one thing it appears to be one of the few effective ways of preventing dissipation of family or corporate fortunes: "A careful father uses the foundation of an altar association simultaneously in order to prevent that after his death the paternal heritage will be spent too quickly."⁵⁰ The transitory character of Chinese business wealth in Indonesia has always been one of its chief characteristics: "a Chinese business usually collapsed when its founder died," writes Purcell, and "the story of 'three generations, clogs to clogs', is very common indeed among the Chinese of Southeast Asia."⁵¹ Lack of managerial *expertise* and scientific technique, in-

⁴⁶ J. Viersen, *Belastingwetgeving van Indonesië* (Djakarta, Surabaya, G. C. van Dorp & Co. 1952), pp. 266-267.

⁴⁷ J. L. Vleming, *Het Chineesche Zakenleven in Nederlandsch-Indië* (Weltevreden, Landsdrukkerij, 1926), p. 191. I have relied heavily on Vleming for background data on the *tso bio*.

⁴⁸ Compare the remarks of C. G. Schuil, head of the government's accounting service, in *Java Bode* (Djakarta), April 8, 1957.

⁴⁹ Information from private informants whose names I am not at liberty to divulge. Other than Vleming's brief discussion, no study devoted to the *tso bio* exists.

⁵⁰ Vleming, p. 191.

⁵¹ Victor Purcell, *The Chinese in Southeast Asia* (London, Oxford University Press, 1951), p. 340.

adequate bookkeeping, and above all the preponderance of all manner of subjective and inefficient influences stemming from the familistic pattern of the business are responsible for this. At the same time, the paucity of administrative and organizational skills encourages the Chinese businessman to be distrustful of the tax collector and promotes covert enterprises like the *tso bio*: "How often has a Chinese merchant not been assessed too high in taxes without being able to prove that the results attained in his business were much lower than those estimated by the fisc."⁵² In the Indonesian setting, the familistic character of Chinese enterprise is imperative because of the same environmental features that characterize the economies of other so-called "underdeveloped" countries today.

IV

The patterns of religious organization in economic production described here are, of course, but examples of such recurring themes in the structuring of human society. The religio-agrarian character of the Indonesian village has its counterpart in practically all societies the world over where what Redfield has called "the little community" still retains a measure of its fundamental identity.⁵³ Similarly the function of the sacred foundation, such as a temple, in the formation of capital and its investment in enterprise is an age-old one.⁵⁴ The value of such organizational forms in a period of rapid adjustment and cultural change can scarcely be questioned. Without the retention of this element of communal solidarity and religious or ideological cohesion, Indonesian planners foresee only chaos for their peasant society. And by the same token the familistic structure of Chinese business enterprise that shores up an institution like the *tso bio* has demonstrable value as a vehicle of incisive change in values. For example, the Christianization of Chinese in Indonesia was accomplished by means of so-called "house congregations" which, as family units, drew upon the traditional sources of kinship cohesion in the acceptance of a new religion.⁵⁵

⁵² Liem Twan Djie, *De Distribueerende Tusschenhandel der Chineezers op Java* (2d ed., The Hague, M. Nijhoff, 1952), p. 48. Lingering animosity toward Chinese business interests also finds expression in the imposition of special tax rates on Chinese residents in Indonesia. Thus the Djuanda government, by Emergency Law, No. 16 in 1957 ordered the levy of special head taxes on all foreign residents of Indonesia and their families. The new measure, which falls particularly hard on the Chinese group in Indonesia, has aroused much resentment among them, and has been interpreted as an attempt to force Chinese into Indonesian citizenship.

⁵³ Robert Redfield, *The Little Community* (University of Chicago Press, 1956).

⁵⁴ Max Weber, *General Economic History*, trans. Frank H. Knight (New York, Greenberg Publishers, 1927), pp. 256-257.

⁵⁵ Pouw Boen-Giok, *De Kerkrechtelijke Positie van een Etnisch Bepaalde Kerk in een ander Etnisch Bepaald Milieu. Een Ecclesiologische Studie over de Situatie van Chinese Christen Gemeenschappen in Indonesië* (Utrecht, H. J. Smits, 1952), pp. 60-62.

At the same time, these ancient forms can be severe impediments to those processes of economic development so eagerly encouraged by Indonesian leaders. The primacy of the religious function in the village may lead to the experience of 'the official who "tried in vain to convince the villagers of a small sub-district in Middle Timor (Indonesia) of the advantage of converting some 50 acres of dry land into irrigated land. There were no technical difficulties and the additional yield would have been very welcome, but that piece of land was dedicated to the ancestors of the community and the villagers would not agree to flood it."⁵⁶ Again, though few would deny that the Islamic mercantile community has been strengthened to the benefit of the entire Indonesian economy by the financial operations of *wakap* and *pesantrèn*, at the same time Muslim exclusiveness has aroused socio-political tensions in the *abangan* sector that bode ill for further integrated evolution of the autochthonous commercial industrial level of economy. The same thing could be said with respect to the *iso bio*: without the Chinese contribution, the Indonesian economy would face imminent collapse, yet the reasons that foster Chinese corporate and familial separatism and that keep alive the ancient hostility between Indonesian and Chinese are as impelling as ever. One must hope that in their long and arduous struggle to effect political and economic stability, Indonesians will be able to obviate the negative features of these ancient structural forms of the production process in their country.

⁵⁶ J. D. N. Versluys, "Social Factors in Asian Rural Development," *Pacific Affairs*, Vol. 30 (1957), p. 163.

Characteristics of Growth Stocks

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FOR MORE THAN A DECADE NOW, the investment merits and risks of owning growth stocks has been a subject of consuming interest and fascination to investors and security analysts alike. Growth stocks have come to be accepted as a separate, if not unique, class of common stocks, being differentiated from other types of equities (viz., cyclical and income stocks) by the presence of identifiable features and characteristics. The ever growing body of literature pertaining to growth stocks states that such identifying characteristics are virtually common knowledge in the field of investments,¹ and, by implication, do not justify further descriptive treatment. However, a thorough screening of the available literature will definitely establish that surprisingly few published studies have attempted to formalize and organize the distinguishing traits of growth stocks into an operational framework of identifying characteristics. In the absence of an operationally *a priori* framework, sentiment or intuition would probably have to serve as the means for identifying and selecting growth stocks as investment media. Accordingly, the aim of this paper is to postulate a descriptive framework of significant growth characteristics and thus to provide a practical basis of judgment in the identification and evaluation of growth stocks for prospective investment.²

The controlling characteristic of growth stocks is their high and rising earning power. Per-share earnings and, therefore, dividends tend to grow in accordance with the operation of compound interest. In this paper, a "growth" stock is defined as the common equity of a company whose per-share earnings and dividends appreciate at a long-term rate of growth sub-

¹ As representative of this view, John C. Clendenin and Maurice Van Cleave comment that "an almost unlimited volume of literature has discussed the features of growth industries and growth stocks . . ."—"Growth and Common Stock Values," *Journal of Finance*, December, 1954, p. 365.

² The descriptive framework elaborated in this paper has been derived largely from an empirical examination of the chemical-products industry and its twelve leading chemical stocks. This study became the basis of a Ph.D. dissertation by the author, entitled "The Concept of Growth in the Evaluation of Common Stocks as Illustrated by the Chemical Products Industry (University of Texas, May, 1957).

stantially faster than the historical rate of growth of the national economy.³ As concerns its past record, such a stock should have grown considerably faster than 3 per cent compounded annually (i.e., faster than the historical growth of GNP) in order to qualify as a growth situation. Consistent with the excellence of its past performance, this stock must likewise indicate exceedingly good prospects of continuing its rapid growth in the future.

Concerning the future, wisdom dictates that such a stock should be purchased on a reasonable premium and/or yield basis, so that the favorable growth prospects are not at the outset fully discounted by the current market price. If purchased at an unreasonably high premium, an otherwise sound investment-type growth stock becomes a long-range speculation, and in this case, the investor can normally hope to do no better than break even. This matter of acquiring growth stocks at reasonable prices is of decisive importance, and yet it is likely to be the investor's most perplexing problem. The problem of pricing growth stocks is a very complex subject in itself; in any case, it cannot be explored in this paper.⁴

Three major groups of growth characteristics are discernible as being causally linked with the pivotal characteristic of high and rising earning power. For the sake of convenience, these groups are denoted as (1) financial, (2) fundamental, and (3) investment characteristics of growth stocks. These three groups form a hierarchy of growth characteristics. The financial and fundamental factors constitute, respectively, the proximate and ultimate determinants of high and rising earning power which, in turn, makes possible the superior investment results expected from long-term ownership of growth stocks.

Financial Characteristics

The financial characteristics, postulated as the immediate determinants of high and rising earning power, are amenable to quantification, and consist of such financial aggregates as a steady uptrend in sales volume, the growth of financial resources and equity (book) values, a continuation of wide profit margins, and high earning rates on invested capital. These financial developments, when combined with a heavy plow-back policy of internally generated funds invested in wide profit-margin product lines, provide the basis for the rapid and sustained growth of corporate earning power which

³ The treatment of growth stocks in this paper is intended to apply only to blue-chip securities which have a considerable history of satisfactory performance and which have been assigned top investment-ratings by the important advisory services. By logical exclusion, this will eliminate from consideration many of the equities being sponsored and advertised as growth stocks by investment brokerage firms.

⁴ As one such technique, see Robert E. Kennedy, Jr., "An Approach to Pricing Growth Stocks," *Analysts Journal*, August, 1957, pp. 31-33.

tends to expand in accordance with the principle of compound interest. To illustrate the financial characteristics of growth stocks, selected financial ratios of eight leading companies in the historically dynamic chemical-products industry are summarized in Table 1 for the 1946-55 decade; they give concrete evidence of relatively high retained earnings (heavy plow-back policy), high earning rates on equity capital, and rapid growth in sales volume.

TABLE 1

Selected Financial Ratios of Eight Chemical Companies for the Ten-Year Period 1946-55

<i>Company</i>	<i>Av. Dividend-Payout Ratios by Percentage</i>	<i>Av. Retained Earning Ratios by Percentage</i>	<i>Net Income Available for Common as Percentage of Equity Capital</i>	<i>Av. Annual Percentage Increase of Sales</i>
E. I. du Pont	65*	35	20	29
Union Carbide	62	38	18	32
Dow Chemical	48	52	14	55
Eastman Kodak	51	49	15	28
Hercules Powder	62	38	19	23
Olin Mathieson	55	45	13	291
American Cyanamid	52	48	14	28
Allied Chemicals	63	37	12	24
Over-all company av.	57	43	16	31†

* Excludes the General Motors dividend contribution to du Pont stockholders.

† Excludes Olin Mathieson as abnormal and unrepresentative of sales growth.

Source: *Moody's Industrial Manuals*.

The equity shares of E. I. du Pont de Nemours and Company constitute an interesting example of a growth situation whose earnings and dividends have increased at a compounded rate of 7 per cent per annum for the past thirty years. Throughout the history of its growth and adaptation to changing economic climates, du Pont has managed to maintain high earnings rates on invested capital and to generate internally sufficient funds in meeting its growth requirements and in paying substantial dividends relative to earnings. As a general proposition, it can be said that growth companies finance their growth requirements largely by plowing back internally generated funds into new plant capacity which, itself, is characterized by a high marginal efficiency of capital. This process is cumulative, for the new capacity, once in commercial operation, tends to enhance earning power, out of which a large proportion is again reinvested in additional capacity. Accordingly, the growth process makes possible, and justifies, a heavy plow-

back policy. So long as a strong product-demand and high earning rates prevail, the growth process is self-generating and self-financing.

It is a sensible stratagem for growth companies to retain and plow back a substantial portion of earnings to meet their expected and recurring growth requirements. In fact, the corporate dividend policy of growth companies is largely formulated in these terms, and accounts for the fact that, in contrast to other equity groups, the dividend-payout ratio is typically modest. It is noteworthy that emphasis on internally generated funds to meet growth requirements is to the distinct advantage of both the growth companies and their stockholders. From the company standpoint, retained earnings provide a cheap and convenient method of financing expansion and practically eliminate primary dependence on external sources of capital. Within broad limits, management is free to reinvest earnings as it pleases, with a considerable degree of immunity from the judgments of outside financial groups (viz., commercial and investment bankers). Thus, as the growth period progresses, during which period earning power is expanding rapidly and dividend payout remains at a stable ratio, then constantly larger (internally generated) funds become available to a growth company, both for financing new capacity and for paying enlarged dividends.

Similarly, stockholders of growth companies should eventually benefit from a heavy plow-back policy. In the short run, investors may forgo what would otherwise be larger cash dividends and higher current yields by commitments in growth stocks, but this may turn out to be a small sacrifice as compared to the progressive building up of dividend return and capital values over a considerable period of time. Thus, it is a reasonable probability that, so long as growth companies as a class are capable of producing high rates of return on invested capital and of compounding per-share earnings, the investor can secure from these stocks a higher average annual yield on investment cost, together with larger capital gains, than can be obtained from an equivalent investment in stable-income equities for long-term holding.

Fundamental Characteristics

The fundamental characteristics are postulated as the ultimate determinants of high and rising earning power of growth stocks, and, unlike the financial characteristics through which they operate, they are not amenable to exact quantification. The fundamental characteristics are essentially qualitative in nature, and constitute the dynamic background factors whose impact on earning power can be only indirectly deduced from the corporate

operating and financial records, and the investment benefits accruing to stockholders.⁵

Emphasis on research.—Corporate-sponsored research and new-product development are powerful factors of corporate growth in particular and economic development in general. As presently conducted by corporations, research is typically of two types: basic and applied, limited to technological operations. However, a broadened and balanced program embraces several interdependent phases of research: exploratory research conducted outside the orbit of the established company program; fundamental research for new knowledge without regard to its commercial feasibility; basic research in fields of potential commercial interest; research to produce new, better, and cheaper products; and process development in converting laboratory data via pilot-plant operations into new plant design.⁶ Owing to the unquestioned success of research and development (R&D) in its effects upon cost savings, sales and market growth, and enlarged profits, corporate management is faced with a continuing question: How much should the company spend on R&D? Obviously this is not a problem easily solved, for a meaningful answer depends on a constellation of factors, among which is the nature of the technology and competition within the industry. Moreover, the justification of R&D projects would be determined by informed estimates of market potential, availability of manpower, technical feasibility, the patent situation, pilot-plant results, and economic considerations. At a lower limit, "defensive" research may be budgeted in preserving a competitive *status quo* in the industry; or additional budgetary outlays may become necessary to pursue "offensive" research by which new and undeveloped markets are penetrated. In any case, one point is clear: failure to conduct an adequate level of research can be fatal, for such a policy can eventually destroy a company's capacity to compete effectively. Even though R&D is a long-range gamble, it is even more risky for a company to fail to conduct any project research at all.

The need for research is self-perpetuating, owing to the sharper competition which it breeds and to the increasingly complex technology which it creates. No one, however, would be so foolish as to imagine that a large research budget per se guarantees industrial success. As Graham and Dodd

⁵ The fundamental characteristics developed in this paper, though not necessarily applying with equal force and relevance to the diversity of common stocks which may properly be identified as growth stocks, are believed to be sufficiently general in scope and regular in occurrence to comprise a nucleus of causal factors making possible high and rising earning power of growth stocks generally.

⁶ Kenneth H. Klipstein, "You Can Turn R&D from Blind Alleys," *Chemical and Engineering News*, July 1, 1957, pp. 18-20.

said years ago, "if the mere ownership of a research laboratory could guarantee a successful future, every company in the land would have one."⁷ Despite the formidable market and time risk⁸ incident to new products and processes which emanate from R&D, it remains almost certain that the companies aggressively research-minded today will be among the industrial leaders of tomorrow. With their heavy emphasis upon R&D, the growth companies are destined to be in the vanguard.

Underdeveloped markets.—Taking a long view, the multiple markets in which growth companies sell their products and services are typically far from the point of saturation. Not only are established markets expanding, but new markets are continuously being created through aggressive merchandising and new-product development. It is interesting to observe that most growth companies apparently grow not merely by adjusting passively to expanding markets induced by population or income changes but by actively creating massive new markets through their emphasis on research and product development, technological innovation, and aggressive merchandising.⁹ Accordingly, dynamic companies attempt to develop new products which will command potentially large markets so that significantly enlarged sales, low per-unit costs, and generous profit margins will be secured. In seeking out these markets, growth companies normally engage in detailed product and process planning. Elaborate research is often conducted to estimate the probable demand, at varying prices, for the company's newly developed products. Similarly, new processes of manufacture are normally put to severe testing under pilot-plant and semiwork conditions long before the company embarks on an expensive program of constructing full-scale plants.

Expanding industry.—Practically without exception, the most dynamic companies participate in rapidly expanding industries. These "growth industries" are recognized by the fact that their rate of physical expansion and output is usually higher than the growth of the national economy, as measured by the Federal Reserve Board Index of Industrial Production. The "growth industries" share certain common characteristics: they are typically capital-intensive, research-grounded, and technologically advanced. Moreover, these industries seem to enjoy superior control, vis-à-vis the "static industries," as a result of such factors as regulated output adjusted to de-

⁷ Benjamin Graham and David Dodd, *Security Analysis* (3d ed., McGraw-Hill Book Company, New York, 1951), p. 399.

⁸ It is estimated that four out of every five new products developed via R&D fail commercially and that, on average, a seven-year lag exists between laboratory inception and developed markets for the successful products.

⁹ See Peter L. Bernstein, "Growth Companies Vs. Growth Stocks," *Harvard Business Review*, September-October, 1956, pp. 87-98.

mand, predictability of supply, uniformity of product quality, relative stability of prices, physically contiguous and interlocking productive operations, and "inanimate mechanisms" utilized as raw materials. In contrast, the "static industries," which are typically dependent upon organic processes, are consequently plagued by uncertainties arising from the vagaries of the various climates of the continent and the endless heterogeneity of nature. An inherent weakness is transmitted to these industries, as manifested in such ways as a drastic fluctuation in the yield of a crop or in the price it brings. Agriculture and the industries primarily dependent on this source of raw materials are closely linked with the rhythm of organic life and seem to lack that higher degree of control over processes and mechanisms characteristic of the more scientific and automated industries.¹⁰

The industrial growth process is deeply rooted in technological innovation. But new technology has something of a Dr. Jekyll and Mr. Hyde nature: it both creates and destroys. It creates new and dynamic industries and, simultaneously, it may shatter the foundations of other established industries by producing a state of maturity, stagnation, or obsolescence. The competitive and technological superiority of the petroleum industry over the coal industry is a well-known case in point. This type of technological competition is largely responsible for the emergence and disappearance of entire industries. The rise and fall of companies are often but mere pawns in inter-industry struggles for survival and supremacy. Over the long run, companies operating in declining industries cannot hope to compete successfully with aggressive companies situated in important "growth industries" which operate nearer to the frontiers of new scientifically derived knowledge and which produce a continuing stream of new products and processes on a lower-cost, mass-volume basis.

The fact that a leading company is situated in a rapidly expanding industry (measured in physical terms) does not, of course, *ipso facto* make it a "growth situation" in its investment significance. The controlling factor is the ability of a company to convert its participation in a rapidly growing industry into a commensurate growth in per-share earning power. Because public-utility companies must operate in a regulatory climate, their common stocks cannot seriously be considered as "growth situations."

Aggressive management.—The controlling and co-ordinating point in the entire growth process is an aggressive and risk-taking management. The performance of such a management is variously measured¹¹ and praised for the

¹⁰ For a stimulating and profound inquiry into the fundamental differences between nature-oriented and science-oriented industries, see Erich W. Zimmermann, *World Resources and Industries* (Harper & Brothers, New York, 1951).

¹¹ For a rating system by which managerial performance is measured, see Jackson Mar-

ability to reduce costs, develop and market new products originating from research, enlarge its share of the market, introduce the principles of "scientific management," avoid labor conflicts by having sound labor policies, successfully build and operate new capacity with increased demand, and finance its growth requirements to the long-term benefit of the stockholders. In appraising the management factor, one must usually reason deductively from the operating and financial records of the company, since field contracts and personal acquaintanceships with managements are largely beyond the reach of most investors and security analysts. Thus, a long record of high and rising earning power, steadily increasing dividends, sound net working-capital position, very moderate debt-to-equity ratios, recurrent expansion and modernization programs largely financed by internally generated funds—these and many other financial and operating results provide evidences of managerial proficiency.

Competitive superiority.—This necessary and distinguishing trait of growth companies may exhibit a diversity of forms. In one form, a growth company can be expected to occupy a position of commanding importance in one or more expanding industries, being favored with a considerable element of monopolistic power by which oppressive price competition is kept in check. Along these lines, a growth company is usually protected by various legal and economic circumstances, such as the control of important patents and trade-marks, the investment of huge aggregations of capital, or the possession of outstanding managerial and technical skills. These circumstances tend to preclude the entry of outside firms into growth industries which are dominated by a few large units. In another form, a growth company demonstrates competitive leadership by its ability to control a substantial share of the markets available to it. Market control may be secured and maintained by introducing a continuous stream of new products via R&D or by aggressively merchandising and discovering new applications for established products.

Today, many "growth industries" are characterized by the economics of oligopoly.¹² In these industries, competitive conditions are relatively stable, for they have already passed through the unsettling industrial stage in which atomistic competition tended to prevail—for example, in such industries as petroleum, aluminum, rayon, rubber, or electrical equipment. The higher measure of market and technological control which is associated with oligopoly assures the stockholder that his investment will probably share fully in

tindell, *Manual of Excellent Managements*, 1957 (New York, American Institute of Management, 1957).

¹² In this general connection, see J. Fred Weston, *The Role of Mergers in the Growth of Large Firms* (Berkeley, University of California Press, 1953).

the dynamic development of such "growth industries." This is an important point. It suggests that, by reason of their oligopolistic power, the corporate giants in an industry can continue to produce high levels of profit on expanding sales and invested capital, while remaining largely immune to the prospect of aggressively stepped-up competition because of outside firms coming into the industry. In such a well-controlled situation, it is not surprising that these growth companies are characterized by high and rising earning power.

Investment Characteristics

The secular uptrend of earning power is the essential condition making possible the outstanding investment benefits which may be derived from long-term ownership of growth securities, if they were originally purchased at reasonable values. Accordingly, growth stocks have the potential of producing significant share multiplication, better-than-average yield results on investment cost, and substantial capital gains. These expected results are the pragmatic test which clearly differentiates growth stocks from other equity types of investment media. To illustrate, I have summarized in Table 2 the "investment results" derived from long-term ownership of several leading growth stocks representing the chemical-products industry; it gives clear evidence of the substantial benefits obtainable from growth stocks when such stocks are bought at reasonable values and are held for permanent investment.

Share multiplication.—The long-term rapid growth of per-share earnings and dividends of growth stocks is typically reflected in share multiplication. This means that the investor who holds growth stocks for a considerable period of time is usually in a position to accumulate a substantial number of additional shares from his investment as a result of retaining stock dividend and splits issued to him and by exercising rights issues to acquire new shares of common stock. Table 2 illustrates this share-multiplication process. For example, Dow Chemical has issued seven stock dividends and two stock splits and has made available to stockholders eight rights issues during the 1926–55 period; hence an original commitment of 100 shares in 1926 has been multiplied into 16,515 shares by the end of 1955.

The share-multiplication process occurs mainly during periods of general prosperity, because it is during these periods that earnings, dividends, and market prices are growing most rapidly and that enormous expansion requirements must be financed. The motives of corporate management in issuing stock dividends and splits are too well known to justify further discussion here. The use of rights issues, leading to share enlargement, is of

special importance in the case of growth companies, for acquiring capital from current stockholders via rights issues is one of the principal means of supplementing retained earnings when expansion requirements must be financed. Consequently, the share-multiplication process—an enormous advantage to long-term investors—is largely determined by (1) the rate of per-share earnings growth, (2) the extent of earnings plow-back into new capacity, and (3) the supplementary methods employed by management in financing growth requirements.

TABLE 2

Investment Results from Long-term Ownership of Eight Chemical Stocks for the Thirty-Year Period 1926-55

Company	Share Multiplication by Number*	Percentage of Av. Annual Yield on Investment Cost	Av. Annual Percentage Capital Gains on Investment Cost	Percentage of Compounded Av. Annual Yield Growth Rates†
E. I. du Pont	2,892	24	83	7
Union Carbide	972	12	32	6
Dow Chemical	16,515	18	54	10
Eastman Kodak	889	7	13	2
Hercules Powder	1,760	17	42	6
Olin Mathieson	1,233	7	10	4
American Cyanamid	18,000	17	42	10
Allied Chemical	462	8	12	3
Over-all company av.	5,340	14	36	6

* Based on original commitment of 100 shares in each stock as of Dec. 31, 1925, and with all stock dividends and splits retained, and all rights issues to acquire additional common stock exercised thereafter. "Share multiplication" denotes the number of shares accumulated as of Dec. 31, 1955.

† Based on the growth of yields on investment cost computed for each stock over the thirty-year period.

Source: *Moody's Industrial Manuals*.

Above-average yield results.—Because the growth factor is widely recognized by the investing public, growth stocks as a class tend to sell on the basis of high price-earnings ratios and low current yields. These signify the large premiums which are associated with expectations of exceptional growth of earning power and market values. However, if bought on a reasonable premium basis and held for a sufficiently long period of time, growth stocks are capable of producing very satisfactory yield results on investment cost. This less appreciated feature of growth stocks makes them attractive for even the most conservative institutional accounts. But one point must be emphasized. Even the more spectacular growth stocks normally require a minimum holding period of a decade or more to attain and

exceed an average annual yield of 5 per cent on investment cost, which is normally obtainable from a group of high-quality, stable-income common stocks. This "time risk" is a function of the high prices (relative to earnings) which must be paid for growth stocks, even though growth rates of earning power may be impressively rapid.

Table 2 illustrates the high average annual-yield results obtainable from growth stocks. The derivation of the investment-yield results of the chemical stocks in Table 2 are based on certain assumptions and calculations. A 100-share commitment in each chemical stock is assumed to have been made by Investor A in 1926 and held continuously for the ensuing thirty-year period. During the period, he has retained all stock dividends and splitups and he exercised all stock rights to purchase additional common. Thus, a running record of yield on investment cost for each year becomes a simple calculation. The investment results of average annual yield on investment cost is derived simply by totaling the separate annual yields of each stock for thirty years and dividing it by the number of annual periods. The compounded growth rates (the last column of Table 2) are derived by applying secular-trend analysis to the build-up of yield on investment cost as the thirty-year period progresses for each chemical stock.

Substantial capital gains.—The most popularized feature of growth stocks is the expectation of substantial capital gains, even over relatively short periods of time (e.g., one year). From the viewpoint of conservative investment, where income requirements are the primary consideration, I would suggest that an appropriate function of (unrealized) capital gain is to serve as a potential offset to the low yield on investment cost which is building up to satisfactory levels during the first decade of holding. Table 2 summarizes the exceptional capital-gain results attributed to the chemical stocks for the thirty-year period. In the case of du Pont stock, an initial 100-share commitment in 1926, together with the cost of exercising stock rights, constitutes a total investment cost of \$25,115 for the thirty-year period. The 1955 market value of du Pont shares accumulated in the portfolio amounted to \$671,798, to provide a total capital gain of \$646,683, or the equivalent of an average capital gain of 83 per cent annually. It is no wonder that growth stocks, such as du Pont, are regarded with glowing enthusiasm by the investing public.

Generally, the very impressive capital-gain results of the chemical stocks shown in Table 2 can be explained largely by the existence of three major developments: (1) rapidly expanding earning and dividend power, of which market values are a reflection; (2) the spreading recognition of the growth factor and the increasing investment quality of the chemical stocks, as reflected in higher multipliers; and (3) in some cases, rising dividend-

payout ratios relative to earning power. It is a reasonable estimate that, in the future, only the growth of earning and dividend power should continue to exert influence on market values of the chemical stocks, since the other factors are probably near their maximum levels in the current stock market.

Conclusions

A descriptive framework of characteristics has been developed in this paper as a working basis for identifying growth stocks. High and rising earning power, growing in accordance with the operation of compound interest, has been advanced as the controlling and pivotal characteristic of growth stocks. The fundamental growth factors, operating through the financial characteristics of wide profit margins, high rates of profitability on invested capital, and heavy plow-back policy, make possible the long-term rapid growth of earning power by which, in turn, the superior yield and capital-gain results are produced by growth stocks when held for long-time investment.

Advantages of owning growth stocks, if they pan out, are obvious to all. Such investment media are especially attractive to those seeking long-range retirement-income goals, such as businessmen or professional people who, let us say, expect to reach retirement age in another twenty-five years. They can probably look forward to a growing yield on investment cost, together with larger potential capital gains, as the period of holding progresses. Moreover, growth stocks should provide at least a partial hedge against commodity price-level advances. In fact, it is hard to imagine any equity group better designed to offset the risk of long-range inflation.

New Regional Journal

The Regional Science Association, housed at the Wharton School, University of Pennsylvania, has announced the launching of the *Journal of Regional Science*. The first issue will be devoted to basic concepts and will be closely correlated with the meeting of the Regional Science Association held

in conjunction with the American Institute of Planners in New York in October.

For several years the association has issued an annual volume of papers and proceedings from its annual meeting. Walter Isard, of the Wharton School, is executive secretary of the group.

Australian Water Resources

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THE LAND "DOWN UNDER" has long been a mystery to many social scientists, though fortunately, this statement applies somewhat less to geographers than to some others. In general, this vast continent has been neglected because of its location. As Susan Huck has so aptly commented: "Australia is literally on the other side of the world from Europe and North America, which means that it is more than twelve thousand miles from its parent civilization, its markets, its well-spring of immigrants, and the outside military power committed to its defense."¹

Another reason for Australia's going relatively unnoticed is its lack of natural resources, one of the most serious being the inadequate water supply. The heavy-rainfall areas are confined to the northern, eastern, and southeastern coasts. More than one-third of the country has a desert precipitation of less than ten inches. Still another one-third is semiarid, with between ten and twenty inches of rainfall per year. In addition to being limited in amount, the rainfall is erratic and unreliable, being derived mainly from thunderstorms.²

One factor which has a mitigating effect on the lack of precipitation is that there are large areas of underground water, though only a small amount of it is suitable for domestic use. Most of it is either saline—with a light enough concentration to be potable for livestock—or has not been tested. But as rate of withdrawal of this water is greater than the rate of recharge from rainfall, the underground-water level is steadily lowering.³

The lack and unpredictableness of the rainfall, combined with the diminishing artesian water supply, have hindered Australia's progress. One indication of this is that there are only about ten million people on the continent, and they are concentrated along the southeastern coastal region. In order to increase Australia's development there have been attempts to

¹ "Australia," *Focus*, Vol. VII (June, 1957), p. 1.

² *Ibid.*, p. 2; and James E. Collier, "Artesian Water and Australia's Pastoral Industry," *Scientific Monthly*, Vol. LX (February, 1945), p. 119.

³ Collier, *op. cit.*, pp. 128-129.

make better use of existing water and to create new supplies of the precious liquid.

In the past, limited irrigation has been undertaken in the sugar-cane and fruit-growing areas of Queensland and in the cereal-crop regions of southern New South Wales, Victoria, and Western Australia.⁴ Since the Second World War great new irrigation projects have been planned.⁵ At present a vigorous three-pronged attack on the water problem includes (a) the Snowy Mountains irrigation project; (b) application of the Mansfield process to water evaporation; and (c) rain-making through the cloud-seeding process. The most ambitious of these is the Snowy Mountains Scheme.⁶ Work on the project began in 1949, and contracts for most of the major installations have been let. It is estimated that the Scheme will be in full operation by the mid-1960's. The project, the largest ever undertaken in Australia, is aimed at diverting the snow-fed waters of the Australian Alps through trans-mountain tunnels under the great dividing range. Most of this water presently flows eastward via the Snowy River through the well-watered coastal belt to waste itself in the Tasman Sea. The westward diversion will increase water for irrigation, and this same water, falling some two thousand feet, will be channeled through various hydroelectric-power generating stations.

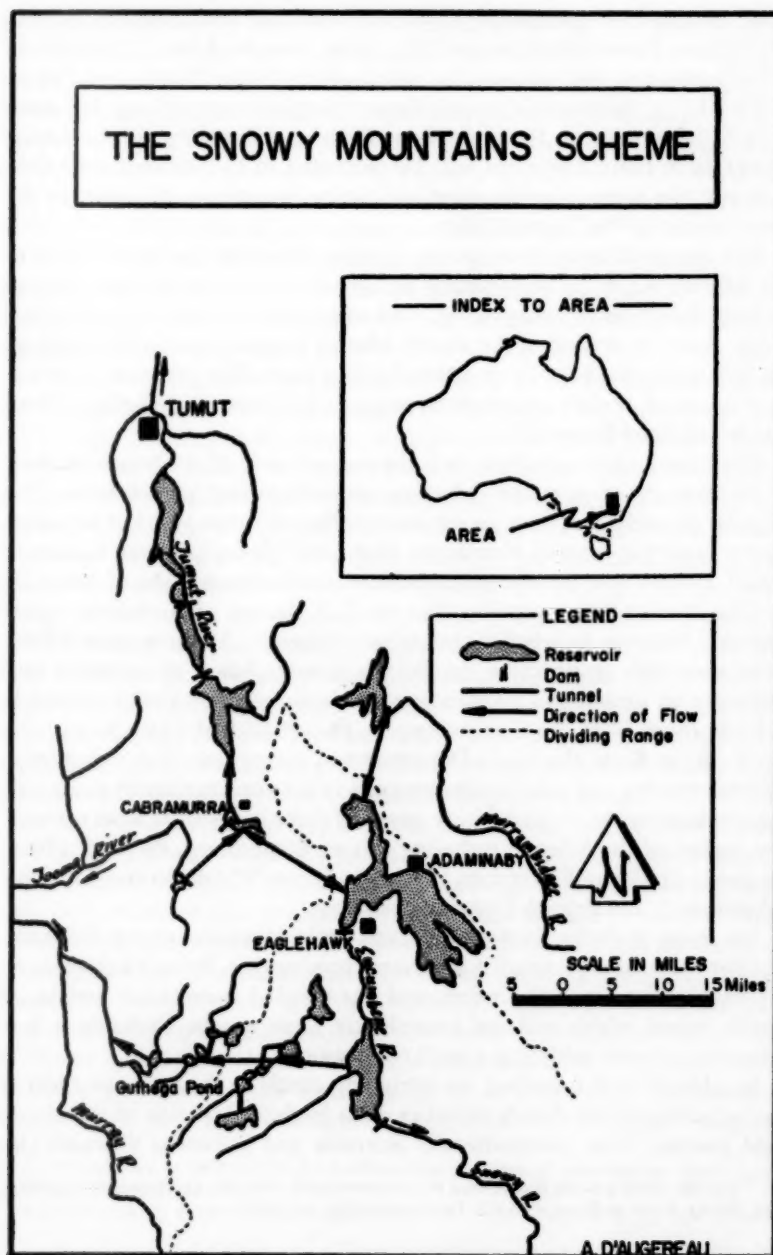
Upon completion of the project, approximately an additional two million acre-feet of water will be available for irrigation in the Murrumbidgee and Murray valleys. One thousand square miles of uncultivated land will be put into use, with an estimated yearly increase in food production of thirty million pounds (\$70 million). The hydroelectric stations will have a total generating capacity of 3,000,000 kilowatts, which will double Australia's present capacity. The Scheme will be financed through the sale of electricity. Thus, the additional water that is anticipated for irrigation will be furnished free to the participating states of New South Wales and Victoria. Greater areas of irrigated land will make possible an increase in the production of fruits and cereals for foreign markets. Moreover, it is estimated that the newly irrigated land will support five thousand farmers, which should be an inducement to immigration.

The many individual parts of the Snowy Mountains Scheme, each a self-contained work of no small magnitude, may be considered under two prin-

⁴ Huck, *op. cit.*, p. 3.

⁵ See, for example, New South Wales's Department of Conservation, *Conservation Supplement of the Education Gazette* (Sydney, N.S.W., Department of Conservation, 1952); and Parliament of New South Wales, *Report of the Water Conservation and Irrigation Commission for Year Ending 30th June, 1956* (Sydney, N.S.W., Government Printer, 1957).

⁶ The discussion of the Snowy Mountains Scheme is based on a mimeographed report of twenty-five pages prepared by the Snowy Mountains Hydro-Electric Authority in 1957. This, plus two illustrated folders describing the Scheme, was sent to the author by the Authority.



cial geographical groupings—the Snowy-Murray Development and the Eucumbene-Tumut Development. The latter consists of two integrated developments: one will combine the waters of the Upper Tumut and Tooma and the Upper Murrumbidgee and Eucumbene rivers and will regulate them by a major storage on the Eucumbene River at Adaminaby. Hydroelectric power from these diversions will be generated in two stations near Cabramurra; the second development will be the generation of power in the lower reaches of the Tumut Valley.

The Snowy-Murray Development involves diverting the Snowy River to the Murray River, an undertaking which will necessitate the construction of forty-five miles of major tunnels and which will provide 1,700,000 kilowatts. Another portion of the Snowy-Murray Development is the Guthega project, which has been in operation for four years. The plan is to make extensive use of surface aqueducts to enhance the storages at Guthega Pond and Island Bend Reservoir.

The Snowy Mountains Scheme is the realization of efforts begun in 1884. It involves the co-operation of many individuals and governments. The original planning was done by a technical committee composed of representatives from the states of New South Wales and Victoria and the Commonwealth government. An agreement between the Commonwealth of Australia and the United States provides that the U.S. Bureau of Reclamation give technical training to selected Australian engineers. At the request of the Commonwealth government the Bureau gives technical co-operation and assistance in design and construction on various works. Further valuable aid has come from the Commonwealth Department of Main Roads, the Snowy River Shire, the Lands Department of New South Wales, and other Commonwealth and state bodies engaged in the construction of roads and appurtenant works. A world-wide group of firms has been at work on various aspects of the Scheme, including Selmer Engineering, Pty. Ltd. (Norwegian); Etudes et Enterprises (French); Kaiser-Walsh-Perinie-Raymond (American); and English Electrical Company.

For many years the Snowy Mountains project was considered visionary. But for those who persisted it is a dream coming true. It has taken years of planning and co-operative effort, and has entailed tremendous outlays of public money which will not immediately show results. Certainly it is a tribute to a country with such a small population.

In addition to this project, an intriguing attack on the water problem is that of saving water already stored in dams by the application of the Mansfield process.⁷ The Commonwealth Scientific and Industrial Research Or-

⁷ The Mansfield process is described in Commonwealth Scientific and Research Organization, *Saving Water in Dams*, C.S.I.R.O. Leaflet Series No. 15, 1956.

ganization (C.S.I.R.O.) has made far-reaching claims for this method. It is maintained that this process provides graziers and farmers with a means of cutting evaporation losses by 25 per cent or more. Basically, the process involves the spreading of beads of an insoluble chemical, hexadecanol, on a body of water. (Hexadecanol is usually marketed under the name "cetyl alcohol" and as such is used for a wide variety of purposes.) The chemical is a white waxy solid that floats on water. A raft anchored near the center of the body of water spreads the substance on the surface.

As of 1956, hexadecanol had been used only on small bodies of water, and at that time the C.S.I.R.O. recommended that it not be used for areas in excess of two acres. Moreover, the water surfaces tested prior to 1956 were substantially free from weeds.

A year after this first announcement, April, 1957, the C.S.I.R.O. made further claims for the Mansfield process.⁸ These were based on the successful testing conducted at Stephen's Creek Reservoir near Broken Hill, New South Wales. According to a press release, evaporation was reduced by 37 per cent, or 200,000,000 gallons of water were saved, the equivalent of six weeks' consumption in Broken Hill. The estimated cost was one penny (the Australian penny is a little more than our own) per thousand gallons. In these experiments the raft method was abandoned as being uneconomical because of difficulties encountered by wind and wave action. At Stephen's Creek Reservoir the hexadecanol was placed in a solvent and fed onto the water's surface. This method provided a satisfactory film for three months, despite exceptionally high wind velocities. The C.S.I.R.O. news release confidently concluded that although further difficulties might be encountered in applying the process to the largest bodies of water, the present results suggest that the Mansfield process is on its way to being perfected.⁹

In just a year's time the C.S.I.R.O. had advanced its testing from 2-acre sites to the 930-acre Stephen's Creek Reservoir. Despite its cautious announcement in 1956, the C.S.I.R.O., on the basis of very limited testing on a large body of water, was proceeding with extreme confidence in 1957. But a word of caution must be interjected into this optimism. From the very beginning, many of Mansfield's results have been based on controlled experiments. The method works well on a beaker of water where a control has been established by having a second beaker without hexadecanol spread on it. However, no such controls were used at Stephen's Creek. Duplicates were not run on untreated water and no statistics were available for previous years. Even if past records are available it is extremely difficult to compare

⁸ I am indebted to the C.S.I.R.O. for sending original copies of press releases dated April 8, 1957, and October 30, 1957.

⁹ See the C.S.I.R.O.'s press release of April 8, 1957.

evaporation rates in successive years because the same conditions do not prevail from year to year. Moreover, the number of variables required to specify the conditions necessary for a valid comparison is enormous.¹⁰

In addition to these factors, it is interesting to note that the U.S. Bureau of Reclamation has been testing hexadecanol at Kids Lake near Oklahoma City and Rattlesnake Reservoir near Loveland, Colorado. The Kids Lake experiments have established that hexadecanol is not harmful to fish, ducks, sea plants, and microorganisms. Tests at Rattlesnake Reservoir substantiated these results, and under *ideal* conditions evaporation loss was reduced by 65 per cent. In order to achieve such results the Bureau has spent \$6 million. W. A. Dexheimer, U.S. Commissioner of Reclamation, is pleased with the findings, but indicates that more testing is required to evaluate fully hexadecanol's effectiveness. In a rather guarded statement, Dexheimer observed: "If the treatment with hexadecanol can be made even twenty per cent effective, at low cost, the water saving could be tremendous."¹¹

In view of the Bureau's costly research and the apparently premature optimism and inadequate testing of the C.S.I.R.O., it is difficult to appraise realistically hexadecanol's present usefulness. If the chemical can be used cheaply and effectively, it should be a boon to the thirsty Australian continent.

A third aspect of C.S.I.R.O.'s work in water conservation is that of rain-making. The organization's Radiophysics Division is studying clouds that produce rain in an attempt to find the conditions necessary for successful artificial rain-making.¹² Tragedy plagued the first phase of the work when two C.S.I.R.O. scientists and the officers and crew of an R.A.A.F. plane were lost in a crash in Sydney in 1952. Cloud-seeding is very dangerous work and requires such expert flying that it has caused considerable apprehension.

Despite such difficulties, F. W. G. White, deputy chairman of C.S.I.R.O., reports that at least 150 single clouds have been seeded by using silver-iodide smoke. It is known that the most copious rainfall comes from massive cumulus clouds that rise high in the atmosphere. When these clouds form, there must also be present material in a finely divided form to cause very cold water droplets to become ice crystals before it can rain. These are the "freezing nuclei." Not much is known about them in their natural state,

¹⁰ Letter to the author from Dr. Hans Freeman, senior lecturer, Department of Chemistry, Sydney University, February 8, 1958.

¹¹ From an Associated Press article in the *Lafayette Daily Advertiser*, March 14, 1958.

¹² The discussion of rain-making in Australia is taken from a mimeographed report prepared by W. F. G. White, deputy chairman of C.S.I.R.O. For a more detailed treatment of rain-making, see E. G. Bowen, "Induced Precipitation," in *The Future of the Arid Lands*, ed., Gilbert White (Washington, D.C., American Association for the Advancement of Science, 1956), pp. 291-300.

but it is known that excellent nuclei can be made by burning silver iodide in a flame. This produces the finely divided particles which are effective in turning the cold water droplets of the high clouds into ice crystals. The ice melts as it falls, becoming rain.

Individual cloud-seeding operations have produced rain, but this is far from causing widespread rain over a substantial area of the country. The seeding of individual clouds is costly and of limited application. In order to overcome these problems, United States scientists suggested releasing silver-iodine smoke from burners on the ground. When experiments in Australia proved that the smoke never reached the high parts of clouds, the technique was abandoned. After this failure, the C.S.I.R.O. returned to the use of aircraft. Instead of seeding single clouds, they are attempting to release silver-iodide smoke into the wind that blows through a cloud system. The Snowy Mountains region was chosen as the site for this experiment because of its uniform topography and rainfall. The region was divided into a southern and a northern area. The former area is seeded when the wind blows from the west to ensure that the smoke is carried only over that area.

Chance plays a large role in this type of experiment; thus, certain allowances must be made. One problem is that it is impossible to rely upon seasonal records for comparative purposes because successive storms vary considerably. In recognition of this, storms are seeded at random. Rainfall from the seeded storms is then compared with that from the unseeded ones and with the natural conditions of the northern area. Such comparisons have been made for two winters, and there is a noticeable and consistent bias in favor of the southern area, with 20 per cent greater rainfall occurring in the south when seeding takes place.

Although these results are encouraging, similar testing must be done under variable conditions and over a longer period. The C.S.I.R.O., with the support of the Commonwealth government, has purchased two twin-engine Dakota aircraft.¹³ These planes have been assigned to the Darling Downs area of Queensland and the region within a hundred-mile radius of Tamworth, New South Wales. Before the C.S.I.R.O. can be assured of success in rain-making, tests in these new areas and in the Snowy Mountains must be continued for several more years.

If the process proves effective it will be of great assistance in the battle against the weather. Rain-making would be particularly valuable in the northern part of the continent because this area depends upon the early opening of the northwest monsoon season. If the opening could be stabilized, development in this area, e.g., rice growing, could be accelerated. In

¹³ This recent work in rain-making is described in two C.S.I.R.O. press releases dated June 25, 1957.

the southeastern region the normally good autumn and winter rains are accompanied by large cloud formations which do not precipitate. Stable rainfall in this region would greatly facilitate germination of the wheat crop and the growing of winter fodder. Increased precipitation over the Great Divide and in Tasmania would augment water storages for irrigation and hydroelectric generation.

Despite the benefits which could be derived from rain-making, little work has been carried out other than in Australia. In the United States results of the initial experiments of General Electric were so doubtful that no scientific programs were planned around them. A number of fly-by-night commercial operators tried to increase rainfall by cloud-seeding, but there is grave doubt concerning their alleged successes. From other parts of the world come occasional reports of increasing precipitation through rain-making. This international lack of interest in rain-making, plus the limited experimentation in Australia, leads to the conclusion that, though there may be hope for the future, there is only inadequate scientific proof to encourage continued experimentation with the method.

In addition to the three undertakings discussed, there are other possible ways to meet the challenge of Australia's great expanse of arid lands. One of the most promising of these is the demineralization of saline water. Another—though this subject does not, strictly speaking, come within the confines of a discussion of water resources—is a better adaptation of plants and animals to the arid conditions. Although the former project has produced some promising results, it is only in the preliminary experimental stage.¹⁴ Unfortunately and quite incorrectly, the press has led many to believe that a large-scale program of demineralization will be launched in the near future. Research concerning the better adaptation of plants and animals to arid conditions is encouraging, but there are large gaps in present knowledge of the subject. It is necessary to do more work in animal physiology to be able to establish scales for drought resistance.¹⁵ Likewise, more intensified and correlated studies are needed in the field of plant physiology to determine which are suited to drought conditions.¹⁶

This work, plus the research into induced precipitation and saving water in storage, could have profound consequences for Australia and the world's

¹⁴ Wilhelmus F. J. M. Krul, "Demineralization as an Additional Water Source for Arid Lands," in *The Future of the Arid Lands*, pp. 272-279.

¹⁵ Omar Draz, "Adaptation of Plants and Animals," in *The Future of the Arid Lands*, pp. 231-243; *Breeding Beef Cattle for Unfavorable Environments*, symposium presented at the King Ranch Centennial Conference, ed. Albert O. Rhoad (Austin, University of Texas Press, 1955), *passim*.

¹⁶ R. Merton Love, "Better Adaptation of Plants to Arid Conditions," in *The Future of the Arid Lands*, pp. 343-368.

future. More than half of Australia is arid or semiarid, and the total arid lands of the world account for one-quarter of its surface. Australia, with its strong and vigorous Western civilization, resembles a machine of great potential but one which is missing a vital part. If water in sufficient quantity can be had to make the land arable, Australia will be invaluable to the Western world. With the already achieved advances in technology and transportation and with adequate water, it could become the agricultural supplier of Europe and Asia. Furthermore, Australia could become a home for the excess European population.

Most of this is still conjecture. Throughout the discussion of rain-making, the use of hexadecanol, and the Snowy Mountains Scheme, many "ifs" were used. Of all three projects the Snowy Mountains Scheme is the only one that will definitely materialize. Yet, at best it can offer a limited and narrowly confined solution to the basic problem. It has required courage and determination to undertake a work of such magnitude, and it will lead to progress. However, the greater ultimate hope lies in efforts like the Mansfield process and rain-making. There are grave reservations concerning both of these. If Australians sound unduly optimistic about them, it is perhaps because they want so desperately to succeed. This, then, is the point which needs emphasis. The battle against a hostile natural environment will be continued for years and victory may never be complete. Nonetheless, the determination and co-operation of her people stand as a tribute to Australia and a hope for the world.

Economics Institute for Foreign Students

An Economics Institute for fifty foreign students will be held each summer for the next three years, it has been announced by the Institute of International Education. The first session was held at the University of Wisconsin from July 6 to September 4 under the direction of Professor Wyn F. Owen, of the University of Colorado.

A new step in the education of foreign graduate exchange students studying economics and agricultural economics, the

Institute will give a basic training in economic analysis and an introduction to the United States economy and culture.

Made possible by a grant from the Ford Foundation, the Economics Institute has been developed under the auspices of the Inter-University Committee of the American Economic Association, with Professor Theodore Morgan, of the University of Wisconsin, as chairman.

Gibraltar: Fortress or Pawn?

CONWELL A. ANDERSON

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SINCE 1704, when Spain lost Gibraltar to the British, Spaniards have longed to repossess it. During the two and a half centuries that have passed, various efforts have been made through siege and diplomacy to secure its return. The latest effort occurred in 1954 and has been ably discussed by J. Preston Moore.¹

One mistake frequently made is to assume that Spain has always been willing to sacrifice extensively for the return of this fortress. Many historians have assumed that in 1782/83 Spain would have sacrificed most of her holdings in the Western hemisphere if in return she could have obtained Gibraltar. There is no proof of this in the documents covering the Anglo-Spanish negotiations of those years. On the contrary, the documents indicate that the Spaniards considered their Caribbean holdings of greater value than Gibraltar and very adeptly used The Rock as a pawn in the negotiations. As this statement is contrary to accepted theories, details of the 1782/83 negotiations between Spain and Britain, with France acting as Spain's strong ally, will be traced to justify this interpretation.

Negotiations began in the spring of 1782. France was represented by the Comte de Vergennes; Spain, by the Conde de Aranda; and England, first by Thomas Grenville, later by Alleyne Fitzherbert. For Spain these negotiations culminated her defensive efforts against England, the objectives of which were to reduce, and if possible, eliminate English territorial control as well as trade in the Caribbean area. The English diplomats and government called the Spanish negotiators and Court stubborn beyond reason, a clear indication that they did not grasp the significance of Spain's long-standing Caribbean defense policy.

Routine initial discussions continued throughout the summer, with specific issues arising in August after Fitzherbert had arrived to replace Grenville. In his first meeting with Vergennes, on August 6, Fitzherbert was in-

¹ "Gibraltar: Resurgence of an Old Issue," *Southwestern Social Science Quarterly*, Vol. 37, No. 2 (September, 1956), pp. 99-110; for other information concerning the periodic efforts of Spain, see Wilbur C. Abbott, *An Introduction to the Documents Relating to the International Status of Gibraltar, 1704-1934* (New York, Macmillan, 1934).

formed, as his predecessor had been, that France was to conduct the negotiations for Spain, who was willing to make her interest comply with that of France. Fitzherbert reported that information to London, observing, however, that Aranda had not informed him that France was so authorized.² Fitzherbert summarized Spain's demands, freely rumored, as including Minorca and Gibraltar, plus the complete withdrawal of the English from the Gulfs of Mexico and Honduras.³

It appears doubtful that at this time either Spain or France was extremely eager for peace,⁴ for they needed time to see what would be the results of their anticipated joint attack against Gibraltar. This fortress was expected to fall easily; afterwards, a large detachment of the combined fleets would sail for Santo Domingo, from which they would attack Jamaica.⁵ The negotiations were not allowed to become stalled, however, for the English Ministry under Shelbourne was interested. Vergennes concluded, thereupon, that internal conditions in England might force a settlement at France's terms. In September, to obtain information on the situation in London, Vergennes dispatched his trusted assistant, Gerard de Rayneval, on a secret mission to meet Shelbourne. They met on the same day—September 13—that the attack against Gibraltar began. Spain's unsuccessful outcome did not alter negotiation issues, for she continued to maintain her demand for the fortress.⁶ Shelbourne also regarded The Rock as an excellent pawn, for he, having the King's approval, planned to offer Gibraltar, if necessary, in exchange for Caribbean territory that would enhance British prosperity, preferably the fertile island of Puerto Rico.⁷

When the question of Spanish demands arose in the Shelbourne-Rayneval conversations, Rayneval assured the English minister that he had no authority to speak for Spain but that he felt certain there could be no peace without the cession of Gibraltar, a demand which France was obligated to support. Shelbourne, intent upon obtaining as much information from Rayneval as he could, baited him by suggesting possible equivalents for Gibraltar, such as West Florida, part of the coast near New Orleans, the Spanish part of

² Fitzherbert to Secretary of Foreign Affairs Grantham. Paris, August 7, 1782, British Foreign Office, Vol. 27/3, Pt. 2. This collective source will be cited hereinafter as F.O., followed by whatever volume and part is applicable.

³ Fitzherbert to Grantham. Paris, August 17, 1782, F.O., Vol. 27/3, Pt. 2; Vincent T. Harlow, *The Founding of the Second British Empire, 1763–1783* (London, Longmans, Green & Co., Ltd., 1952), Vol. I, pp. 319–321. This two-volume work, published in 1953, is the most comprehensive study available. It is written, however, entirely from the English point of view. I have consulted many documents used by Harlow. When the same facts are contained in both, Harlow's work is credited.

⁴ Fitzherbert to Grantham. Paris, August 7, 1782, F.O., Vol. 27/3, Pt. 2.

⁵ *Ibid.*

⁶ Fitzherbert to Grantham. Paris, September 26, 1782, F.O., Vol. 27/3 Pt. 4.

⁷ Harlow, *op cit.*, p. 329.

Santo Domingo, or Puerto Rico. In reference to the first two, Rayneval remarked that Spain intended to eliminate English control and contraband taken from the entire Gulf of Mexico. As the Frenchman objected to the last two equivalents also, Shelbourne sarcastically suggested that probably Spain intended to expel the British from even their logwood-cutting rights in the Gulf of Honduras. Rayneval agreed that this was quite possibly true.⁸

Meanwhile in Paris, Fitzherbert and Aranda were exchanging pleasantries and discussing minor details of the negotiations while they awaited official proposals from Madrid.⁹ On October 7, Aranda presented them to Fitzherbert, who expressed amazement at what he considered the rashness of the demands. The proposals included the concession of all British territories in the Gulf of Mexico captured by Spain during the war, the expulsion of all British settlers from the logwood-cutting settlements in Honduras, and the exchange of Gibraltar and Minorca for Oran and its port of Mers el-Kebir.¹⁰ Fitzherbert informed his Court that he had protested that the demands were too extravagant, but he added that Aranda had prepared the proposals only after they had been received from Madrid and that Aranda had assured him Spain's eventual rejoinder to whatever reply England made would be more favorable.¹¹ The English ministry concurred with Fitzherbert's reply to Aranda. Secretary of Foreign Affairs Grantham, observing that those proposals could not even be discussed unless modified in every way, directed Fitzherbert to find out whether this was the only proposal the Spanish Court would make. When Aranda was approached on this he replied, as earlier, that when Great Britain had given a written answer, Spain would see how much she could modify her proposals.¹² In spite of this statement Fitzherbert, feeling that Aranda was holding back terms he was actually authorized to make, continued to press for a modification of the proposals.¹³

At this point the British ministry sought to enlist the assistance of France to convince Spain that her demands were unreasonable. Vergennes assured Fitzherbert that he considered the proposals exorbitant, but emphasized that they must not allow the negotiations to be abandoned. He urged the British ministry to make a formal reply, but Fitzherbert maintained that it

⁸ *Ibid.*, pp. 333-339.

⁹ Fitzherbert to Grantham. Paris, August 17, 1782, F.O., Vol. 27/3, Pt. 2; August 7, *ibid.*, Pt. 3; September 11, *ibid.*; August 7, *ibid.*, Pt. 2; September 11, *ibid.*, Pt. 3.

¹⁰ Formal proposition of Spain given to Fitzherbert on October 7, 1782, A. H. N., Estado Legajo 4203, Apartado 1.

¹¹ Fitzherbert to Grantham. Paris, October 17, 1782, F.O., Vol. 27/3, Pt. 6.

¹² Fitzherbert to Grantham. Paris, October 17, 1782, F.O., Vol. 27/3, Pt. 7.

¹³ Harlow, *op. cit.*, pp. 343-344.

was up to Spain to reconsider her proposals. Vergennes, feeling certain that the Spanish Court was willing to accept much less than it proposed, sought to pressure Aranda and Foreign Minister Floridablanca, but both remained obdurate. Vergennes assured Fitzherbert that he would continue to seek modifications.¹⁴

As the days passed, Fitzherbert, meeting frequently with Aranda, tried to impress upon him the dissatisfaction occasioned in England by the Spanish proposals and sought to obtain some intimation of possible modifications. Aranda remained adamant, asserting that England must make a written reply. He assured Fitzherbert that he was fully cognizant of the intentions of the Spanish Court; that he felt he had as ample authority to negotiate and conclude a treaty, without sending back for fresh instructions, as had ever been given to a subject. On any replies received, his authority, he insisted, was absolute, though he was powerless to initiate another proposal. Fitzherbert finally admitted that Aranda could not do other than to refuse to indicate in what manner Spain might modify her proposal.¹⁵

Vergennes assumed that the crux of the entire negotiations was Gibraltar. Although he felt that Spain's demands were outrageous in their totality, he believed that Great Britain would eventually agree to cede Gibraltar for a reasonable equivalent. In light of this attitude, Rayneval, back from London, suggested to Fitzherbert that if Vergennes could be informed as to just what the English would consider a favorable settlement, he could use his influence in that direction.¹⁶ He mentioned that he had heard Puerto Rico would be the only acceptable equivalent for Gibraltar, but warned that France could never consent to a settlement which would so affect the security of Santo Domingo. Vergennes was apparently not aware of the importance Spain placed on the Caribbean in her foreign policy or he would not have been concerned over the possibility of her ever considering such an offer. Aranda allayed all of Vergennes' fears shortly. In an unofficial conversation with Fitzherbert, Aranda said that Spain would consider exchanging for Gibraltar any area which did not dismember the empire. Pressed to amplify that statement, he specifically stated that neither Cuba, Puerto Rico, nor any part of the South American continent could ever be considered as possible areas for exchange.¹⁷

On November 9, Grantham wrote an answer to the Spanish proposal

¹⁴ Fitzherbert to Grantham. Paris, October 14, 1782, F.O., Vol. 27/3, Pt. 6; October 28, *ibid.*, Pt. 6.

¹⁵ Fitzherbert to Grantham. October 28, *ibid.*

¹⁶ *Ibid.*

¹⁷ *Ibid.*; Harlow, *op. cit.*, pp. 345-346.

which stated that England could not consider a proposition which included such an unreasonable exchange for Gibraltar. None of the other articles of the Spanish proposals were mentioned.¹⁸

The impasse was temporarily broken when Aranda presented to Vergennes a memorial of October 30, prepared by Floridablanca. This document filled the French Court with amazement and anger. It suggested that France, who appeared so eager to secure peace at any price, should provide England with suitable equivalents for Gibraltar out of the French empire. In return, Spain would give France the Spanish part of Santo Domingo. Spain would accept such an arrangement if the English Court would agree to terms which included the cession of Gibraltar, Minorca, and the Bahama Islands and full withdrawal from West Florida, the Gulf of Honduras, and the Bay of Campeche. Vergennes, taken aback by what he considered Spanish audacity, returned a peremptory refusal. Aranda responded by informing Vergennes that if the Spanish terms were not met by the time the combined fleet was ready to sail from Cádiz for the campaign against Jamaica, Spain would withdraw from the joint venture and pursue an independent course of action. Beyond that, he refused to comment as to what possible modifications Spain might consider. This left Vergennes in a quandary, for he had also been unable to obtain suggestions from England as to equivalents she would accept for Gibraltar. In an effort once more to obtain command of the situation which, though he had initiated it, had now slipped from his control, Vergennes again dispatched Rayneval to London.¹⁹

Rayneval arrived in London on November 20, asserting that his purpose was to bring peace between England and Spain. Aranda had approved his going, but without informing Rayneval of any modifications to Spain's demands which he might propose.²⁰ Rayneval's task was not easy as he met Shelbourne for grueling diplomatic engagements which lasted into the early morning hours. He explained that he had come hoping to persuade Shelbourne to inform him confidentially of what Britain would accept for Gibraltar. Rayneval would then seek to obtain Spanish agreement. Actually, Shelbourne could not answer this question, for the British cabinet was split on that very point; some members had threatened to resign if a compromise concerning Gibraltar was even considered.²¹ However, the King was still intent upon trading the fortress for some profitable Caribbean island. Shelbourne was confident that, if necessary, he could force through Parliament

¹⁸ Answer to the proposition of Spain given to Fitzherbert on October 7, November 9, 1782. A. H. N., Estado Legajo 4203, Apartado 1.

¹⁹ Harlow, *op. cit.*, pp. 346-348.

²⁰ Fitzherbert to Grantham. Paris, Nov 15, 1782, F.O., Vol. 27/3, Pt. 7.

²¹ This was a faction in the cabinet, headed by the Duke of Richmond and Lord Keppel, who wished to continue the war.

an approval of the cession of Gibraltar but, preferring to avoid the show-down, inquired of Rayneval whether Spain could be induced to drop her demand for Gibraltar. Rayneval replied that he was certain she could not, but added that he had yet to learn what England would consider an equivalent. Rayneval secretly hoped to obtain the fortress in exchange for Florida or New Orleans, but before he could propose this, Shelbourne stated that neither of these areas would be considered suitable by either Parliament or the cabinet. Had these two diplomats understood Spanish colonial policy since 1763, they would never have considered these areas in their discussions, for Spain would not even have deliberated on such terms. Seeking some specific proposal, Rayneval pressed Shelbourne to make a feasible proposition. Shelbourne mentioned Puerto Rico, Cuba, or Spanish Santo Domingo. This still left Rayneval with nothing, for he knew Vergennes would never accept Spanish Santo Domingo, and Aranda had stated explicitly that neither Cuba nor Puerto Rico would be considered. Shelbourne then remarked that England would be very interested in obtaining a footing in the Windward Islands. Rayneval observed, unsuspectingly, that Spain had no holdings there, that these islands belonged to France. Shelbourne, suggesting that France possibly would be willing to make a cession of one or more of those islands to settle the deadlocked negotiations, proposed that England would cede Gibraltar for the restitution of all areas seized by Spain during the war—that is, Minorca, West Florida, and the Bahama Islands—plus one of the following: Puerto Rico; Guadeloupe with Dominica; or Martinique with St. Lucia. Rayneval, gasping, stated that this posed entirely unconsidered factors, ones for which he had no authority to speak, but he inquired what France would obtain for her losses should the proposal be accepted. Shelbourne quickly suggested the Spanish part of Santo Domingo. Very astutely the British minister had maneuvered France into a position in which she had either to give up some of her own islands or exert enough pressure on Spain to bring her to give up her demands for Gibraltar. With these alternatives, Rayneval returned to France on November 24.²²

Vergennes was thoroughly displeased with Shelbourne's offers. He felt that the price for Gibraltar was exorbitant, that the English should not be admitted into the Windward Islands, and that the Spanish part of Santo Domingo was poor compensation. Nevertheless he sought Louis XVI's consent to take some specific action. Upon receiving authorization, he informed Aranda that in accordance with the English proposals France was prepared to cede the islands of Guadeloupe and Dominica. On November 28, Rayneval met with Aranda for seven consecutive hours, explaining that as England was on the eve of general elections an immediate and satis-

²² Harlow, *op cit.*, pp. 348-353.

factory settlement was needed to save the Shelbourne ministry. He impressed upon Aranda that the cession of Gibraltar would not be approved unless the area obtained in return was very valuable, and he tried to persuade Aranda that as France was willing to share some of the price of this exchange, Spain should certainly assume her part. Aranda could not, of course, accept any of the offers, for they all included restoring to England island bases for a renewal of her illicit trade in the Gulf of Mexico—which Spain had been intent on excluding since 1763.

However, under pressure from the French ministry, Aranda made a proposal of his own. For Gibraltar, he was willing to accept the French gesture, namely, the cession of two islands, while Spain herself would return Minorca. Further, in regard to Florida, he proposed that Spain retain control as far east as Cape Canaveral and Britain abandon her establishments in the Gulf of Honduras and along the Campeche coast. To compensate for the abandoned areas, however, Spain was willing to guarantee to supply from them a specified amount of logwood and mahogany wood each year at a determined and moderate price. Vergennes felt that this counteroffer was reasonable, for it appeared to him as merely a minor adjustment of conquered territory. He was certain that peace was imminent as Rayneval, on December 2, carried the proposal back to London.²³

To the disappointment of the French ministry, Shelbourne refused the Spanish counteroffer on the grounds that Spain had refused to restore West Florida. On December 11, the British Cabinet unanimously approved an alternative offer of its own, which was received by Aranda, through Rayneval, on December 16. This offer included England's retention of Gibraltar and the regaining of the Bahama Islands, for which Spain would receive Minorca and the Floridas. Further, British logwood-cutting rights in the Gulf of Honduras were to be preserved, but under stipulated restrictions.²⁴ Aranda analyzed these proposals and then notified Fitzherbert that he would accept them on his own authority without even consulting with Madrid and that he would dispatch his secretary, Ignacio de Heredia, to London to assist in settling the question of the logwood cutting in the Gulf of Honduras. In regard to that point, however, Aranda informed Fitzherbert that he had no authority to consent to any stipulation that would entitle the English to cut any logwood themselves, regardless of what restrictions were drawn up. This point had to be approved by Madrid.²⁵

²³ Grantham to Fitzherbert. London, December 4, 1782, F. O., Vol. 27/3, Pt. 8; Harlow, *op. cit.*, pp. 353–355.

²⁴ Grantham to Fitzherbert. London, December 12, 1782, F.O., Vol. 27/3, Pt. 9.

²⁵ Fitzherbert to Grantham. Paris, December 18, 1782, F.O., Vol. 27/3, Pt. 10. The subsequent negotiations concerning the logwood-cutting region in the Gulf of Honduras became very involved and are important enough to warrant a separate paper.

Harlow indicates that the Spanish Court was very indignant when informed of Aranda's action, that Floridablanca said Aranda had not been authorized to commit his government without consulting Madrid, but since the step had been taken it would not be repudiated.²⁶ In view of Spain's colonial-defense policy which had emerged in 1763, entwining the negotiations with the emotion-involved question of Gibraltar, this action appears to have a significance of which Harlow apparently is not aware. Throughout the negotiations Aranda had appeared obdurate to all demands, insisting upon the elimination of the British from the Caribbean and the retrocession of Gibraltar. Together they were unreasonable demands, but defense policy dictated the one and public opinion the other. However, the first time England offered to meet most of the Spanish demands for the Caribbean and agreed to restrictions on the remainder—in exchange for Spain's giving up her claim for Gibraltar—Aranda accepted immediately. Realistically the Spanish ministry knew it could never obtain all its demands, so when those involving defense policy were met, the rest were withdrawn. To placate an aroused public opinion which demanded Gibraltar on the basis of national pride, the ministry accused Aranda of overstepping his authority. It appears, however, that this accusation was only for the pacification of the public and that Aranda was actually acting entirely within the plans of the Spanish Court.

The impasse broken, the agreement was quickly put into proper terminology and inserted as pertinent parts of Articles Three, Four, and Five of the preliminary treaty of peace signed at Versailles by Aranda and Fitzherbert on January 20, 1783.

The details of the negotiations do not support the prevalent theory regarding the relative importance of Gibraltar. The fortress actually occupied a position of secondary importance in official Spanish policy and should be so viewed by modern historians.

²⁶ Harlow, *op. cit.*, pp. 355-361.

Modern History Series

The University of Michigan has announced a fifteen-volume *History of the Modern World*, to be edited by Allan Nevins and Howard M. Ehrmann. The

first four volumes of the series, dealing with Latin America, the Near East, the Far East, and Russia, are subtitled *The Countries of Decision*.

The Agendas of the United Nations General Assembly: A Content Analysis

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IT is an increasingly common observation in these times that the United Nations has become a notably different mechanism from what it was designed to be and apparently intended to be some thirteen years ago—in regard to both the shifting emphasis of procedures, and even powers, within the United Nations itself, and the types or areas of conflict to which these procedures have been applied.¹ One of the indices of this developing difference has been the changing content of successive agendas of the United Nations General Assembly. An analysis of these agendas, for the years 1946–57, helps to reveal both the general directions and the pace of such change.

The approximate conclusions from the evidence can be stated briefly in advance: (1) The General Assembly now, and especially since 1950, directly considers more significant international disputes of all types than it did in the beginning. (2) Its consideration of what may be termed “cold-war” controversies has varied erratically. (3) Its attention has been comparatively concentrated in recent years, and especially since 1952, on problems of a “colonial” nature. Speculation on what these developments may portend will be forthcoming later.

Two technicalities should be first explained—the materials used and the methods employed in gathering the evidence on which the foregoing conclusions are based. There is a certain amount of arbitrary choice involved in both, and the criteria for making the choices need, therefore, to be understood.

First, the materials. An analysis of the agendas of the United Nations General Assembly will necessarily be drawn from those agendas. This would seem too obvious a fact even to mention were it not that every Assembly has a number of different agendas. As either whole agendas or parts

¹ See, for example, Vernon V. Aspaturian, “The Metamorphosis of the United Nations,” *Yale Review* (Summer, 1957), Vol. XLVI, pp. 551–565.

thereof, they typically and separately include, in their usual chronological order: a provisional agenda, a supplementary list, and a consolidated "proposed" agenda, all prepared before the Assembly session opens; a report of the General Committee containing a "recommended" list of items, and then a "final" agenda which the General Assembly votes officially to accept.²

It is the final agendas, whenever they are available,³ that are used in this analysis. This is by no means the only possible choice. What have been called the proposed and/or the recommended agendas can sometimes be just as revealing, if not more so, of what the Assembly's attention is being directed toward, and—insofar as they differ from the final agenda—of what the General Assembly and/or its General Committee have voted *not* to give their attention to. The main point of the matter, however, is that, among the different kinds or stages of an agenda, the same kind had obviously to be analyzed for each Assembly. And the final one was considered to be, in general, a more accurate record of what a given Assembly actually concerned itself with than was any other agenda.

Secondly, the question of method. In order to compare thirteen separate agendas⁴ at all conveniently, it was necessary to establish a rough classification of the kinds of items which they would typically contain. Four categories are employed and are listed, for reference, as follows: (1) regular (mostly annual) "housekeeping" functions; (2) special (or *ad hoc*) matters of a primarily technical and/or procedural nature; (3) general issues, more or less controversial; and (4) local disputes. As is obvious from even the mere naming of them, these categories are by no means precise. For the purpose of this paper, however, it is perhaps enough to say that I have tried to keep the same or similar items in the same classification from one agenda analysis-sheet to another; and, further, that the most important items (those involving the most controversial questions) were, in general, among the easiest to classify. It is Categories 3 (general controversies) and 4 (local disputes) with which this paper mainly deals.

² For the fairly typical record of agenda-making in the tenth session of the General Assembly, see: *Official Records of the General Assembly, Tenth Session, Annexes*, (X) 8, pp. 1-13. Further items may be added, of course, at any time the Assembly is in session. In 1950, for example, the "final" agenda was adopted on September 26; five additional agenda items were adopted on October 7, and one more on December 6.—*Official Records of the General Assembly, Fifth Session, Plenary Meetings*, pp. xxxv-xxxviii.

³ The 1957 final agenda is not yet available. The proposed agenda has therefore been used. See *The New York Times*, September 16, 1957.

⁴ There were two different agendas for the two separate meetings of the first session of the General Assembly in 1946. Also the four (technically, five) special (or emergency special) sessions of the Assembly (1947, 1948, 1956, and 1957) have been omitted from this analysis. Each of these, of course, was concerned, for all practical purposes, with one major agenda item (in 1956, two items) apiece: in 1947 and 1948, Palestine; in 1956 and/or 1957, Egypt and Hungary.

Before turning in more detail to these, however, a few comments should be made about the over-all comparisons among whole agendas and, in particular, about the less important Categories 1 and 2. First of all, it may be observed that total numbers alone prove nothing. With the exception of only the short first part of the first session, the total number of items on a given agenda has varied only between sixty-five (in 1946 and 1947)⁵ and seventy-seven (in 1948 and 1952). There is no trend observable here: an agenda with the lowest number of items (1947) immediately precedes one with the highest (1948), and the total for 1956 (seventy-one items) lies, numerically, exactly in between. The only figure of comparative quantity that is at all impressive by itself is the jump in the number of items in Category 4 (local disputes) from ten to twenty-five between 1949 and 1950. But of this, more later.

In Category 1 ("housekeeping") there would obviously be little change from one year to the next. The reports of the major councils, for example, appear on all thirteen agendas. Other items are regular, but not annual, in their appearance; for instance, election to the International Court of Justice is listed every three years. Still other items appear frequently but not consistently: thus the "registration . . . of treaties" shows up on seven agendas—five in a row and then, five agendas later, two more in a row. On any agenda such items comprise about one third of the total. Despite this substantial proportion, however, practically nothing of significance is revealed by a comparison between agendas of items in this category.

About the second classification (*ad hoc* technical matters), little need be said, either, for the purposes of this analysis. To document one possibly significant tendency within it, however, a brief account of its general outline and flavor will be necessary. The number of items in this category varies rather more widely from one agenda to the next than in the other classifications. A high of twenty-eight such items is reached on the 1946 and 1948 agendas and a low of ten in 1956. As in the case with the over-all totals, not much of a trend is indicated hereby. But the four most recent Assemblies have dealt, in general, with fewer such matters per session than did the previous eight.⁶

Even this cautious conclusion may not be fully warranted, since it de-

⁵ I have only sixty-four items listed for 1957, but these are on the proposed, rather than the final, agenda.

⁶ The numbers of such items are as follows: 1946 (Part II), twenty-eight; 1947, twenty; 1948, twenty-eight; 1949, twenty-one; 1950, twenty-four; 1951, twenty; 1952, twenty-one; 1953, twenty-three; 1954, fifteen; 1955, twelve; 1956, ten; 1957 (proposed), sixteen. In this, and in all other comparisons of quantity within classifications, items are counted separately if they seem to refer to separate questions, even though they may be listed as lettered subsections under a single-numbered agenda item.

pend, of course, on the accuracy with which items have been classified here. Some items listed in Category 2 left considerable room for doubt. For example, the seven separate listings, on different agendas, of various matters pertaining to a genocide convention were classified as basically technical; a few of them, in themselves, were fairly obviously so.⁷ But the Genocide Convention itself is surely a controversial question. It was, nevertheless, assigned to Category 2 as being perhaps less in the area of practical or even significant propaganda than, say, disarmament (which appears in Category 3). At least consistency was preserved: anything pertaining to genocide was always listed as a primarily technical question.

The true flavor of this classification can be better indicated by mentioning a few items that are more typical. On different occasions the General Assembly has thus far considered three separate applications for membership in ICAO⁸ and four applications for adherence to the Statute of the International Court of Justice.⁹ It has concerned itself twice with a "proposal for the adoption of Spanish as one of the working languages of the General Assembly"¹⁰ and once with it as one of the working languages of the Economic and Social Council.¹¹ Even more indicatively, three successive agendas contain the item: "Designation of non-member States to which a certified copy of the revised General Act for the Pacific Settlement of International Disputes shall be communicated by the Secretary-General for the purpose of accession to this Act."¹²

These listings express the essence of Category 2. And there are, again, fewer of them per session in the last four agendas than in the preceding eight. That the over-all total of items does not vary much from one agenda to the next may suggest, albeit negatively, that the Assembly has more recently concerned itself with the more controversial questions. Whether this is so, and what kinds of questions they have been, will require an appraisal of the evidence in the last two categories: general and local disputes.

Taking Categories 3 and 4 together, and switching back and forth between them, it may be first observed that the fifth session of the General Assembly, in 1950, is at least superficially outstanding. Its agenda contains the largest total number of controversial items of both kinds (forty-four) and more impressively (as mentioned earlier), the largest subtotal, within this, of

⁷ Certainly the item entitled "Revision of the Chinese text of the convention against genocide," appearing on both the 1951 and 1952 agendas (both items numbered 56), is primarily a technical question.

⁸ Germany in 1955 (Item 57); Japan in 1952 (Item 64); Finland in 1948 (Item 24a).

⁹ Japan (Item 75) and San Marino (Item 76) in 1953; Liechtenstein in 1949 (Item 58); Switzerland in the second part of the 1946 session (Item 64).

¹⁰ Item 62 in 1947; Item 41 in 1948.

¹¹ Item 62 in 1952.

¹² Item 51 on both the 1951 and 1950 agendas; Item 56 in 1949.

local disputes (twenty-five). The temptation is to label the 1950 Assembly, on this evidence alone, as one of the most critical and significant in United Nations history. That this quick judgment is perhaps not too wide of the mark is evidenced by not only the quantity but also the quality of the items appearing on the 1950 agenda. To demonstrate the nature and importance of that quality it will be necessary to refer also backward and forward to comparable items on other agendas.

What kinds of items make up the 1950 total? Let it be observed first that the heavy majority of controversial listings on one agenda are carried over from the previous agenda or agendas. Thus, among general controversies, the 1950 repeats identically from the 1949 agenda such items as the control of atomic energy, the admission of new members, and some half-dozen others. Of the ten local disputes on the 1949 agenda, all but one (Indonesia) are repeated in 1950. The obvious and revealing question to ask, therefore, of the 1950 agenda is simply: What's new? One part of what is new is a mere elaboration of subitems under a heading that appears singly on the 1949 agenda, "Question of the disposal of the former Italian colonies," and may be thought of as padding: in 1950 there are four separate items relating to Libya;¹³ in 1949, none.

The other main part of it relates to a critical development of events in the Far East, climaxed by the attack on (South) Korea. Chinese intervention in Korea, the "question of Formosa," and two Soviet complaints against different kinds of alleged United States attack on China appear among the local disputes; in the area of general controversies the one highly significant item, "United Action for Peace," is added. From this last will eventuate the United for Peace Resolution, or the Acheson Plan, whereby the international-security function of the United Nations is transferred, in effect, from the Security Council to the General Assembly. Not only, then, does the General Assembly come to grips in 1950 with the major cold-war issue of that period (Korea) but also it takes away from the Security Council the leadership in handling that act of aggression—and, prospectively, others like it.

It was not always thus, although these developments are not suddenly and completely new, either. The "Problem of the independence of Korea" had appeared on the three preceding agendas and appears again in 1950.¹⁴ And the germ of "Achesonism" had long since been planted in the establishment (1947) and subsequent work of the "Interim Committee of the General

¹³ This figure includes "subitems" as explained in Note 6, above. The following listings relating to Libya appeared on the 1950 agenda: a report of the U.N. Commissioner in Libya (Item 21a), the reports of the administering powers in Libya (Item 21b), the adjustment of frontiers between Egypt and Libya (Item 59), technical assistance for Libya after independence (Item 65).

¹⁴ Item 60 in 1947; Item 16 in 1948; Item 22 in 1949; Item 24 in 1950.

Assembly," or "Little Assembly."¹⁵ The General Assembly had therefore been concerned before about both the cold war and/or what it was doing to the Security Council. But now it becomes a leader rather than a pleader in those problem areas.

Thus on the procedural stalemate in the Security Council, the following item, from the 1947 agenda, will fairly suggest the flavor of these earlier years: "Resolution of the second part of the first session of the General Assembly in relation to the exercise of the veto in the Security Council and the extent to which the recommendations contained in that resolution have been carried out" (Item 44). And on the content of controversies between the Super Powers, a listing added to the 1948 agenda makes its own point: "Appeal to the Great Powers to renew their efforts to compose their differences and establish a lasting peace" (Item 72). The words themselves of some of the 1950 agenda items express a different spirit. "Intervention of the Central People's Government of the People's Republic of China in Korea" (Item 76) is a statement, apparently, of something the Assembly intends to deal with, and not of something it is going to offer suggestions or advice about to some other United Nations agency. And the Acheson Plan mechanisms, evolved in the 1950 session, give it the methods, even the wherewithal, of dealing directly with such matters and any others like them in the future.¹⁶

But the end is not yet. The life of the United Nations and its General Assembly does not swing on the 1950 pivot alone. The procedural potential for leadership in handling even the most crucial problems of the cold war was created in 1950, and exists to the present. But the potential has not been much used since. The only major local dispute newly to appear on an Assembly agenda since 1950 which involves the applications of the Acheson Plan to a significant cold-war problem is listed on the 1956 agenda as the "question considered by the second emergency special session of the General Assembly"—that is, Hungary.

But, with the exception of disarmament, which has appeared in one form or another on almost every agenda¹⁷—Hungary is all. Most other major cold-war disputes, whether resolved or not, are missing: no truce in Indo-

¹⁵ The "establishment of an Interim Committee" is Item 59 in 1947, and the "advisability of establishing a permanent committee" is Item 18 in 1948. The work and reports of the committee are covered in Items 17a and 18 in 1948 and 25 in 1949; no agenda listing of the Interim Committee or its work appears after 1949.

¹⁶ For a brief discussion and appraisal of the main points of the "Uniting for Peace" resolution, see Leland M. Goodrich and Anne P. Simons, *The United Nations and the Maintenance of International Peace and Security* (Brookings Institution, 1955), pp. 430-432, 406-408.

¹⁷ Not including 1947 and, oddly enough, 1950.

China, no peace for Germany.¹⁸ And when reference is made to such a matter it is more in the pre-1950 spirit of the humble petitioner: thus the 1952 item, "Question of an appeal to the Powers signatories to the Moscow Declaration of 1 November 1943 for an early fulfillment of their pledges towards Austria" (Item 63). The behavior of the Assembly in respect to cold-war disputes is thus clearly erratic. A high point of significance and directness is reached in 1950. Before and after that time, and with the additionally erratic exception of Hungary, the Assembly has either ignored the cold war altogether or stood more or less critically to one side.¹⁹

This is not to say, however, that the amount and importance of Assembly activity in all areas of international politics have notably declined from the 1950 high point. On the contrary, quantity at least has nearly held its own;²⁰ significance has even increased. But the increase has come in a different general area of conflict from the cold war; it has come in what we may call the "racial-colonial,"—or, for convenience of reference, simply the "colonial" area. The evidence is quite clear on this point. And the beginning date is 1952. Certain relevant items on the 1952 agenda—as they would be on any agenda and in any type or category—were carried over from preceding agendas. Thus the 1952 questions of Southwest Africa and of the treatment of Indians in South Africa had both appeared on five of the preceding six agendas. The also pertinent listing of "information from non-self-governing territories" can be traced straight back to the second part of the first session in 1946. But there are three differences in 1950. More colonial items are added. These new ones are more widely and significantly

¹⁸ The 1951 agenda indicates consideration of "whether existing conditions make it possible to hold genuinely free elections" in Germany (Item 65). But this investigation, in fact, hardly even got started.—Goodrich and Simons, *op. cit.*, pp. 241, 196.

¹⁹ Certain qualifications or explanations of this otherwise too bald statement should be made. Different cold-war items have of course appeared with some frequency both before and after 1950. But they do not usually compare to Hungary or Korea in terms of both significance of the disputes and the reality or directness of the Assembly's handling of them. Thus the complaint against the nonobservance of human rights in Bulgaria and other eastern European countries (on three successive agendas, 1948–1950) may be set aside as primarily a propaganda device; similarly for two subsequent Soviet complaints (1952 and 1956) against alleged United States intervention in different Soviet and/or satellite areas. This is to say nothing about the truth or falsity of any of the allegations; the point is only that they were all without any possibly effective issue. The only other dispute that would seem to require special attention comes under the heading of "threats to . . . Greece," which appears on five successive agendas (1947–1951). But in this dispute the General Assembly would seem to have performed, at best, a peripheral function, with the issue being resolved by a combination of unilateral American intervention and the defection of Yugoslavia from the Communist bloc.—Goodrich and Simons, *op. cit.*, *passim*.

²⁰ Taking the controversial matters of Categories 3 and 4 together, the following agenda subtotals result: 1950, forty-four items; 1951, thirty-seven; 1952, forty-two; 1953, thirty-two; 1954, forty-two; 1955, thirty-eight; 1956, forty-one; 1957 (proposed), thirty-six. By comparison, the same subtotal varies between fourteen and thirty-two items, 1946–1949.

controversial. And one, at least, of even the carried-over items indicates a greater seriousness and permanence of purpose than there had previously been; a similarly changed degree of purpose is likewise demonstrated by the appearance of 1952's new items, and/or others like them, on all subsequent agendas to the present time.

The new items in 1952 include Tunisia, Morocco, the question of race conflict and *apartheid* in South Africa, and the Ewe and Togoland unification problem. These same four, or items closely connected with or replacing them, have appeared on every agenda since 1952. No one will contest the seriousness of these disputes. Nor can the partially successful stubbornness of the Assembly in respect to them be questioned. When Tunisia does not reappear on the 1955 agenda it is only because Tunisia has won its independence; the same is true for Morocco in 1956. And the establishment of the new African state of Ghana partially relates to the Togoland problem. No progress has been made, to be sure, on the race conflict in South Africa, but neither has this item been removed from the agenda; the questions of Algeria and West Irian that were added in 1955 remain also.

None of these had appeared before 1952. Some other colonial questions, it must be observed, were being dropped from the 1952 agenda and those immediately following: Libya, Somaliland, and Eritrea. But these items had been brought to the Assembly (1948) as problems connected with the peace treaty with Italy on which the major powers could not agree, as parts of the general "question of the disposal of the former Italian colonies."²¹ But the Togoland question—to which, as a trusteeship matter, these earlier items somewhat relate—was brought up in 1952 as a colonial issue pure and simple, involving the rights and the development of a dependent people toward self-determination.²² Of such is the record of greater significance and/or greater Assembly initiative and determination in taking and handling colonial disputes.

One further piece of supporting evidence deserves comment. The item on "information from non-self-governing territories," referred to above, illustrates the same point and tendency, though not as sharply breaking in 1952, as do the other listings just described. As already noted, the item appears in every preceding agenda back to the second part of the first session in 1946.

²¹ Item 66 in 1948. This listing appears, under substantially the same title, on the 1949 (Item 19) and 1950 (Item 21) agendas. The last related component item so far (the question of assistance to Libya) appeared in 1953 (Item 60).

²² The general issue was somewhat complicated by the more particular question of which "self" was to be allowed determination—i.e., whether all the Togolese had to stay together or whether some could combine with the Gold Coast.—See James S. Coleman, "Togoland," *International Conciliation* (No. 509, September, 1956), pp. 56–62.

But it grows and elaborates steadily. In 1946 it is a single listing;²³ by 1952 the same item has acquired three subheadings, and four more separate but related items have been added.²⁴ The year 1952 is a climax; this pace has been generally maintained, but not increased, ever since: the proposed agenda for 1957 contains the same item, now with five subheadings, plus one other separate but related listing.²⁵

As impressive as this may be, quantity alone is only part of the story. The same increase in initiative and persistence observed in other colonial items above is observable here. Whereas the report on this kind of information (from nonself-governing territories) had come originally from the Secretary-General only, on the 1949 agenda it is listed as coming in part from "the Special Committee" (Item 35*b*)—i.e., from an *ad hoc* committee of the General Assembly created for this specific purpose. By 1952 it is obvious that this and related developments have become matters of wide-ranging general controversy between the "imperial" and the "colonial" (more accurately, ex-colonial) powers represented in the General Assembly.

That the whole complex of these developments has met opposition—and is considered worth opposition—can be seen in the 1952 agenda listings of the "question of the renewal" of the Assembly's special committee (Item 34) and the question of the cessation of transmitting information concerning the two Dutch holdings of Surinam and the Antilles (Item 37). That the colonial bloc, the Assembly, and its committee are not content with merely passive defense is equally clear from two other items: "Participation of Non-Self-Governing Territories in the work of the Committee on Information from Non-Self-Governing Territories" (Item 35) and "Factors which should be taken into account in deciding whether a territory is or is not a territory whose people have not yet attained a full measure of self-government" (Item 36). What the Assembly is doing here is recasting the whole spirit of international supervision over all nonself-governing territories into the more specific mold and purpose of the trusteeship system: independence for dependent people. Furthermore, it is doing this with passion and perseverance. The sharply shifting emphasis of this kind of work adds a significantly unlimited dimension to the Assembly's already increased concern with *ad hoc* local colonial disputes as they arise.

The prospects for the future are perhaps contained in the record of the past. Barring any radically new departures in international politics, new Assemblies will somewhat resemble preceding ones, as they always have.

²³ Item 14; this is on the agenda for the second part of the first session in 1946.

²⁴ Information from nonself-governing territories (containing subitems *a*, *b* and *c*) is No. 33; the related items are Nos. 34, 35, 36, 37.

²⁵ Items 35 and 36.

The Assembly thus stands ready to be used, as it has been previously, in the handling of any cold-war dispute, no matter how serious, which one or another of the major powers chooses to refer to it. The Assembly has never itself taken the initiative in such matters in the past: the Little Assembly and the Acheson Plan were both proposed to the General Assembly by American Secretaries of State. Nor is it likely to take such initiative in the future.

On the other hand, it will doubtless press its campaign of concern with colonial matters, both local and general, and it shows no sign of drawing the line until all nonself-governing territories have become self-governing. Furthermore, it will apparently brook no reimposition of imperial influence or control: Suez and Egypt were eloquent testimony to this—as also, to a degree, was Hungary. And these matters are important. The racial-colonial conflict, not the cold war, may well emerge in a longer perspective as the central international controversy of the twentieth century.

These cautious and fairly obvious conclusions are not based on the projection of statistical trends alone. They seem further grounded in the present realities of bloc politics within the United Nations in general and the General Assembly in particular. Such related speculation would, however, take us far beyond the limits of the data presented in this paper. Finally, let it be said only that the evidence of statistics and the evidence of politics seem here happily to complement and re-enforce each other.

International Historians' Meeting

The Second International Congress of Historians of the United States and Mexico was held at the University of Texas, November 3–6. Pablo Martínez del Río served as president, with Archibald Ross Lewis as secretary general. Honorary presidents were Logan Wilson, president, The University of Texas; Nabor Carrillo, rector, Universidad Nacional Autónoma de México; Walter Prescott Webb, president, American Historical Association; Eusebio Dávalos Hurtado, director, Instituto Nacional de Antropología e Historia; Ralph Wright Steen, president, Texas State Historical Association; and Carlos

Pérez Maldonado, presidente, Academia de Ciencias Históricas de Monterrey.

Sessions were devoted to "The Pre-Hispanic Peoples," "The Medieval Iberian Frontier," "Mexican and American Conceptions of the Frontier," "Society and Culture in the United States and Mexico," "The Great Frontier Concept," and "The Historian's Task from the American and Mexican Viewpoints." Rector Carrillo and President Wilson discussed "The State and Higher Education in Mexico and the United States" at the final session.

Bernard Shaw and Economics

E. E. STOKES, JR.

TEXAS AGRICULTURAL AND MECHANICAL COLLEGE

BERNARD SHAW'S ROLE as an economic thinker can scarcely be isolated from his work in general. Some of the early novels, like *An Unsocial Socialist* (1883), exhibit traces of his economic thinking. In his criticisms of music and drama, his essays on art and imprisonment and vivisection, his biographic and autobiographic sketches, and in his personal letters, the economic point of view (especially as expressed in his socialism) is pervasive. The plays—works of art and great pieces of theater that they are—are shot through with his economic ideas. Some of the plays, particularly the earlier ones, are little more than economic tracts, dramatic expositions of some of Shaw's economic analyses. That Shaw intended it that way is shown in a statement he made in a letter to his biographer, Archibald Henderson, in 1904: "In all my plays my economic studies have played as important a part as a knowledge of anatomy does in the works of Michael Angelo."

I propose in this paper, however, to restrict the discussion to some of Shaw's specifically economic works—they are voluminous—and to consider the economic theory and "point of view" discernible in them. First, I should like to make a brief survey, roughly chronological, of the chief influences upon Shaw's economic thought. Then I should like to discuss his most important economic works and try to show how they reveal the nature of his economic ideas and the development that took place in them.

It is an interesting fact that an American, Henry George, first interested Shaw in economics. Shaw heard George speak in London in 1882, and promptly read *Progress and Poverty*. The influence of George's "land-oriented" thinking remained important in Shaw's economics.

Soon after his introduction to the ideas of George, Shaw began attending meetings of the Marxist Social Democratic Federation. Here, when he made some attempts to express his newly stimulated economic ideas, he was told to read Karl Marx. He did so, and thus became acquainted for the first time with economic analysis specifically socialist. Marx, however, became and remained more important as an inspiration to Shaw than as a specific influence in his economic thought. He appreciated Marx's Jeremiah-like denunciation

of early nineteenth-century capitalism as exposed in Parliamentary Blue Books. For him, Marx was a prophet—almost in the ancient Hebrew sense—but not an important source of specific economic doctrines. He rejected Marx's class-struggle concept, along with dialectical materialism generally. He also rejected the Marxian labor theory of value (derived from Ricardo) and espoused the theory of differential or economic rent (also of Ricardian origin), Shaw's equivalent of Marx's "surplus value." He rejected the violent revolutionism of Marxism, advocating instead gradual change, parliamentarism, permeation—in short, the cornerstones of Fabianism. At least this was true of his early socialist career. In the period from 1884 to 1914, Shaw felt that violence was unnecessary and/or premature, that permeation had not yet done its work. After the First World War, however, his views were somewhat altered, largely because of the violent, cataclysmic changes of those few years. He remembered Engels' statement that war is the "midwife of social change"; he saw it confirmed by events. Thus he shifted somewhat from his earlier thoroughgoing Fabianism and began to feel that perhaps the period for violent action to remake society was at hand, that the period of "permeation" was over. He was outspoken in admiration of the U.S.S.R. and its leaders; he even expressed some approbation for fascism. He had pointed out earlier that parliamentarism is not an *alternative* to violent change but that it *always precedes* it; thus he saw no incompatibility between his Fabianism and the shift in his views. In a sense, then, a partial reversion to Marxist revolutionism is evident in Shaw's economic thought in his later years. However, this reversion to revolutionism was only partly the result of Marx's influence; other influences—to anticipate somewhat, such as that of William Morris—were perhaps equally important if not more important. Further, though he sometimes styled himself a "Communist," Shaw never accepted Marx's doctrines of class struggle (as Marx interpreted it), dialectical materialism, or the labor theory of value. His mind was completely free of Marxist dogma, authoritarianism, mythology, "double think."

Shaw's interest in Marx naturally led him to David Ricardo, the great classical economist from whom Marx drew so heavily. As has already been mentioned, Shaw rejected Ricardo's labor theory of value, adopted by Marx, but another Ricardian doctrine—the theory of economic or differential rent—became integral to his Fabian economics.

Inevitably, this second Ricardian concept attracted Shaw's interest to the marginal-utility economists, among whom Stanley Jevons was probably most influential in his thinking. Jevons, to Shaw's satisfaction, defined capital as "spare money." The economists of this school used the theory of marginal utility, closely related to Ricardo's differential-rent theory, to explain value-determination.

Another, and older, school of British economists that exerted significant influence on Shaw at this time was the Utilitarians, particularly their latter-day leader, John Stuart Mill. Shaw read Mill with care, and became aware of his final arrival at a socialist position. It is significant to note, however, that Jeremy Bentham, the great early Utilitarian, advocated an equal distribution of income, an idea which later became fundamental in Shaw's economic program.

Shaw's rejection of Marx's class struggle and dialectical materialism was confirmed for him by the contemporary economist J. E. Cairnes. He quotes approvingly Cairnes's reference to the economically unproductive as "drones in the hive." This gives an index to Shaw's own division of society between producers (workers) and idlers, not between the *bourgeoisie* and proletariat as such. In fact, to the extent that they are poor, Shaw shows a hearty contempt for the proletariat, avowing that he "hates the poor"—meaning, of course, that he hates poverty. His workers-idlers division of society, following Cairnes's, was thus horizontal, not vertical—it cut across class lines.

Two Continental economic thinkers whose influence is reflected in Shaw are Pierre-Joseph Proudhon and Ferdinand Lassalle. He agrees with Proudhon's description of property as "robbery," and joins Lassalle in condemning the "iron law of wages," one of the favorite sophistries of the classical economists.

To conclude this survey, we must look briefly at some of the "literary" or "artistic" influences that had repercussions in Shaw's economic thinking. Perhaps of first importance among these was John Ruskin. Shaw was acquainted with *Unto this Last* and Ruskin's other socio-economic writings. He applauded Ruskin's condemnation of "competition" and his praise of "cooperation." He made a speech praising Ruskin in 1921 which was published as *Ruskin's Politics*. Ruskin, however, had no real influence on Shaw's specific economic ideas. His was more an influence of spirit or protest, like Marx's, and thus more negative than positive in character. Shaw regarded Ruskin's positive economic recommendations as retrogressive and impracticable.

William Morris' condemnation of nineteenth-century capitalism—of modern civilization generally—struck responsive chords in Shaw, just as Marx's and Ruskin's did. Morris' influence in Shaw's interpretation of economic history is discernible in Shaw's second Fabian essay, "The Transition to Social Democracy." Morris' belief in revolution as a solution was also influential in Shaw's thinking, especially late in his life. It is probable that Morris also transmitted to Shaw some of the influence of Mill and Ruskin.

Finally, Samuel Butler's satire on the British economy in *Erewhon* seems to have impressed Shaw deeply. Butler, like Morris, was one of Shaw's "masters," though not in economics.

We must now turn to Shaw's principal economic works themselves.

In 1889, only seven years after he had become interested in economics, appeared one of the most important works in British socialist literature, *Fabian Essays in Socialism*. Of these eight essays, Shaw was the author of two, as well as the editor of the whole volume. In his contributions, "The Basis of Socialism: Economic" and "The Transition to Social Democracy," we find the first important, full-scale expression of his economic views. The first essay develops the Fabian—and Shavian—economic analysis, using Ricardo's theory of economic rent and basing the argument mainly on land cultivation, thus revealing the influence of Henry George. Ricardo's concept is applied to industrial capitalism as well, however. The marginal-utility theory of Jevons, especially as it pertains to value or price determination, is expounded, and Marx's "surplus value," or *Mehrwerth*, is virtually equated with the "differential rent," though, as we have seen, Shaw rejects the labor theory of value. Ruskin's term "illth" and his distinction between "wealth" and mere "riches" are used.

The second essay, "The Transition to Social Democracy," was originally delivered as an address before the Economic Section of the British Association in 1888. In this essay, Shaw emphasizes that the Social Democratic program was already well under way at that time, and that the program (present and future) of Social Democracy grew out of things already accepted and established in Britain and out of typical British attitudes. He emphasizes the gradual, peaceful, orderly nature of the transition, though he confesses that he has no particular admiration for this process and says that the only alternative to it is violent insurrection. In this essay we find again evidences of the influence of Ricardo, George, and Jevons. Shaw's interpretation of economic history, especially that of the Middle Ages, is strongly colored by Morris. Marx's condemnation of nineteenth-century capitalism, along with those of Proudhon and Lassalle, is discussed.

Nearly forty years elapsed between the *Fabian Essays* and the next major economic work by Shaw that we are to consider, though in the interim he had written a number of important Fabian Tracts, had begun writing his plays and their prefaces in which so much of his economic thinking gets expression, and two reprints of the *Essays* themselves had appeared. *The Intelligent Woman's Guide to Socialism and Capitalism* was published in 1928.

This book, addressed facetiously to women but meant for all men, has as

its most striking feature a strong emphasis on equality of incomes. In its complete form, this idea is really an innovation of Shaw's, though, as we have noticed, the Utilitarian Bentham had advocated it in the early nineteenth century. Shaw finds many advantages in equal income-distribution—not all of them economic. One of its most important results, from his point of view, would be eugenic; it would, he says, make for complete freedom of intermarriage, and thus help to build up the racial stock. Another of his main concerns in the book is with how the economic "rent" is to be expropriated from the capitalists. He favors outright expropriation through heavy taxation; that is, owners would be compensated in money for property nationalized or municipalized, and then the money would be taxed heavily. In the "Peroration" to *The Intelligent Woman's Guide* Shaw condemns capitalist society, though not human nature as such, for the evils arising from inequality of income and for what he sees as the fundamental pecuniary motivation of capitalist society. He expresses the belief that equality of income would cause chief emphasis to be placed on work itself, rather than on money as such. He defines a "lady" not as an idle exploiter of others' labor but as one who, under the new society, would "overearn" her income, i.e., contribute more to society than she gets from it. This book is the first full-scale exposition of Shaw's individual economic ideas. Perhaps not all of his fellow Fabians would have subscribed to some of the doctrines in it. Although this work has a larger proportion of ideas original with Shaw than is the case with his *Fabian Essays*, we find still the influence of some of the economists discussed above. The emphasis on work itself reminds one of Ruskin and Morris, as well as Thomas Carlyle. In the Appendix, in the course of discussing the economists who have influenced him most, Shaw reveals his continued adherence to the marginal-utility theory when he says that Marx's theory of value was superseded by that of Jevons.

The last major economic work by Shaw, written in his late old age, is *Everybody's Political What's What?* Published in 1944, the *What's What?* contains Shaw's final extended statement on economic matters. While he reiterates much of his earlier economic doctrine, there are perhaps more important differences between the *What's What?* and the *Intelligent Woman's Guide* than between the latter book and the *Fabian Essays*. As we have seen, the wars of the twentieth century and the intervening period of revolution, chaos, and dictatorship made a deep impression on Shaw's mind and caused him to put more faith in violent change. This is reflected in the *What's What?*

In this book, Shaw lays less stress on equality of income and more on a "fair" distribution of work and leisure and on a minimum income below which no one should be allowed to fall. Above the minimum there might be

some inequality in the form of rewards for outstanding or especially industrious persons. He makes the interesting point that if a fair distribution of income were achieved, then "Cobdenism"—classical economic theory—might regain its prestige and have some significance. In accordance with the change in his thinking, he draws a sharp line between pre-Marxian and post-Marxian economics. His interpretation of economic history and modern economics in this book is more strongly colored with Marxism than ever before, but he still does not accept the Marxian dialectic *in toto* (or lend to it the inevitability and the quasi-mystical quality which orthodox Marxists do), and he still rejects the labor theory of value in favor of the marginal-utility or differential-rent theory. Again like Jevons and the marginal-utility theorists, he sees capitalism as having derived from "spare money" gained from differential rent. Reflecting the background of the Second World War years, he forms an interesting definition of fascism as a mixture of Marxism (or socialism) and capitalism, and maintains that, in essence, the same thing as fascism exists in the Western democracies. Only six years before his death, Shaw sums up in the *What's What?* his mature economic and political views.

Shaw's economic thought, and thus his socialism, is solidly in the British tradition. The British ideas of gradualness, orderly constitutional change, "gentlemanliness" pervade his thinking. His socialism is basically ethical rather than coldly scientific. The most significant influences on his economic thought are British (or, to include Henry George, Anglo-Saxon), as we have seen. Ricardo, Jevons, Mill, and George are much more important than Proudhon or Lassalle or even Marx. Marx's importance for Shaw arises mainly from the fact that Marx dealt with, and condemned, the British capitalist economy of the earlier nineteenth century. Along with Marx we find Ruskin, Morris, Carlyle, and to some extent even Matthew Arnold, inspiring and confirming Shaw's animus against the nineteenth-century British economy. All of these, except Marx, are certainly thoroughly British figures. Shaw's economic analysis is strikingly "classical," even "orthodox," in some respects. To the Ricardian analysis of differential rent, which he espouses but uses not to justify but to condemn the economic *status quo*, Shaw adds his own insistence on equality of income (or at least a minimum income), and his view of socio-economic change is post-Darwinian, even as Marx's and that of the classical economists was pre-Darwinian.

However, Shaw's thought, economic or other, can seldom be neatly labeled and pigeonholed. Make a decision about him from one of his pronouncements, and you are all too likely to find him contradicting you (and himself) in another place. His thought is complex, in some respects elusive, and sometimes contradictory. His life was long and his thought went

through considerable evolution. But his ideas (and, needless to say, his expression of them), though seldom actually original, are always independent, incisive, stimulating, free of rigid dogma and false reverence. He had no respect for that *foolish* consistency which Emerson said is the hobgoblin of little minds. If confronted with a contradiction in his works he might have answered, with Whitman, "Do I contradict myself? Then I contradict myself!"—only Shaw would probably then have employed his brilliant dialectical and rhetorical powers to prove that there was no contradiction after all! In a sense, he summed up in himself, held in solution within himself, as it were, the whole complex of intellectual forces and crosscurrents of the later nineteenth and earlier twentieth centuries; his was perhaps the last "universal mind."

Despite these qualifications, however, Shaw is more consistent in his economic ideas than in most other departments of his thought. Even in his last economic books and essays we find him expressing the same fundamental ideas he expressed in the *Fabian Essays* in 1889.

Area Study Grants

The Ford Foundation has announced 180 fellowship awards for training in foreign-area studies and international relations. Of the total, 172 were granted for studies relating to Asia, the Near East, the Soviet Union, Eastern Europe, and Africa. Recipients are college seniors planning to enter graduate school, graduate students, scholars who already have received doctorates, and persons of demonstrated ability in such fields as journalism and government. The remaining 8 fellowships were in the international-relations training fellowship program.

Fellows for the 1958/59 academic year come from thirty states, the District of Columbia, Hawaii, and Canada,

and from forty-four colleges and universities. The majority of the grants are for one year and are largely for study in the United States. However, 33 fellows will spend at least part of their time in Asia, 4 in the Near East, 18 in Africa, and 11 in Europe. A total of 30 will use their grants to complete their doctoral dissertations. About a third received extensions of fellowships already granted.

The Southwest is represented in the list of recipients by 1 student from Kansas, 2 from Missouri, and 4 from Texas; of these, only one is listed as a student at a Southwestern university and he will transfer to a Northeastern university for study under the grant.

Book Reviews

Edited by

H. MALCOLM MACDONALD

WYATT MARRS: *The Man on Your Back*. Norman, University of Oklahoma Press, 1958. 281 pages. \$3.95.

Throughout the world countless numbers of unproductive members of society share in the economic goods and services produced by the work of their fellow-men. Any one of these nonworking members of society is "the man on your back."

Marrs excludes from his list of "parasites" (also called "freeloaders" and "spongers") two large groups not gainfully employed. These are the "socially useful," such as mothers of children, and the "normally dependent," such as children, invalids, and college students. He then proceeds to name, classify, and describe in considerable detail the following: beggars, relief clients, thieves, deceivers, and panderers. War-making nations, certain politicians, some people connected with religious institutions, and the idle rich are likewise included among the parasites.

In the later chapters, the author discusses the effects of parasitism. The most harmful economic results are the loss of potential services and the burden of maintenance. Not only do the nonworking members of society fail to contribute to the sum total of goods and services but they consume a portion of what the working members produce.

Marrs says that only in a society capable of producing much more than a bare subsistence could a parasitic class be tolerated.

Among the harmful social effects of parasitism are the "poisoning of human relationships" and the "contagion of parasitic example." People become distrustful, suspicious, unfriendly, and nonco-operative through fear of becoming the victim of a parasite. And the natural tendency to take things easy and get something for nothing is stimulated by the example of those who do nothing but who get food, clothing, and shelter anyway.

In discussing the biological effects of parasitism, Marrs contends that the existence of a parasitic class produces excessive mortality and tends to promote degeneration of the human race. Without using the word, he comes close to the subject of eugenics.

Perhaps Marrs's most important contribution is the bringing together in one book the many phases and angles of social parasitism for examination and analysis. His treatment is clear and complete. His material is interesting, and his style is easy and pleasant to read.

Many readers of *The Man on Your Back*, however, will finish the last page with a feeling of deep disappointment in one respect. The author suggests no solution for social parasitism. Perhaps

there is no cure at the present time. Here indeed is a challenging problem for social scientists everywhere.

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University of Arkansas

ROBERT MOATS MILLER: *American Protestantism and Social Issues: 1919-1939*. Chapel Hill, University of North Carolina Press, 1958. 385 pages. \$6.00.

This study, divided into five parts, covers the record of the opinions and actions of the major Protestant denominations in the United States concerning the social order, civil liberties, labor organizations, race relations, and war during the two decades that intervened between the First and Second World wars. The book is predominantly factual in content and tone, and the author specifically states that "brilliant interpretations, sweeping generalizations, provocative insights, burning evangelical pleas" must be sought elsewhere. But this does not mean that he is without a purpose or point of view. He believes that the too-easy dismissal of the influences of the churches on social attitudes and in the solution of social problems, a dismissal which has characterized much of the writing about the decades he has studied, is "a gross distortion of the facts." The churches, though predominantly middle class in membership, have been one of the major factors in opening the way for social reform and for the correction of social injustices. Miller sustains this contention by the amassing of irrefutable evidence.

He does not seek to obscure the fact that many churchmen and, on occasions,

some churches have taken positions that contradict this contention. The church in the world, he insists, is a sociological as well as a religious institution and, like others, can take actions and express opinions that are mistaken or unjust. Protestant churches are at the same time both democratic and republican in form; because their members have the freedom and the right to their own private judgment, there is often a total or partial contradiction between the positions proclaimed by the churches through their official bodies and leaders and the opinions actually held and acted on by their members. But this is the way free institutions work and influence their members; they set group standards that are in advance of the thinking of their members and gradually and imperfectly induce them to change.

By sticking so close to the facts the author has in part obscured the great extent of the change in social thinking among Protestant Christians that occurred during the two decades of his study. And by eschewing theology he has left his readers without guiding principles for evaluating his own presuppositions or those of the men about whom he is writing. But these are minor defects in a most helpful piece of historical scholarship which, by telling a detailed and accurate story of one aspect of recent American life, has helped all of us to know how we have arrived at the position and place we now are.

Thomas P. Govan
National Council of the
Episcopal Church (New York)

IRA G. CLARK: *Then Came the Railroads: The Century from Steam to Diesel in the Southwest*. Norman,

University of Oklahoma Press, 1958.
336 pages. \$5.75.

The region to which this volume turns its attention has been "arbitrarily fixed at the Mississippi River . . . to the east; the Missouri, the Kansas, and the Smoky Hill rivers to the north; and the western borders of Kansas and Texas to the west." For the railroads within this area the author's objective is not to write a history of their promotion and building; he intends, rather, to trace "railroad influence on the development of economic, social, and political patterns." In spite of his intention, however, it is necessary to identify the railroads and the places they served; consequently, in some chapters, names patter like hail on a tin roof. Perhaps the resulting din and confusion might have been avoided or clarified by career charts for various railroads, as in G. P. Baker's *The Formation of the New England Railway Systems*, and by more maps of the type, here included, on the "Gulf Southwest Railroads, 1950." The other maps, though showing the railroad density of the region from time to time, do not reveal corporate or place names. Generally speaking, Clark has organized his material around selected topics in each of five periods.

In the writing the volume accomplishes two things. One, it applies the larger, modern concepts of railroad history to enterprises and an area hitherto largely neglected. In this connection there is a useful treatment of land-grant and local-aid policy and of the movement and measures for railroad regulation. Perhaps the most novel contribution is the revelation of the way in which railroads were responsible for the breakdown and change in national

policy toward the Indians. The story is not a pretty one.

The second accomplishment is that the book, when it focuses on the other influences of the railroads, undertakes in the main to orientate historical material (some of it pretty well known) to a new or more precise causation. Clark achieves his greatest success with the strictly demographic data. We are shown how the mere presence of the railroad, plus its colonization work, accounted for the growth of certain counties and the development of particular towns and cities. When the thesis is made to include the effects of the railroad on buffalo hunting and frontier lawlessness, at least one reader pondered about the reasons for their inclusion. On more serious matters, the treatment documents the extraordinary achievements of the railroads as promoters and educators in agriculture. As was probably anticipated at the outset, the railroad's impact upon industrialization is hard to separate as cause from the presence of natural resources and the urbanization and industrialization of the nation as a whole.

The scheme of the volume compels the author to rely heavily upon secondary material, notably the work of Riegel, Webb, and Dick. There is considerable resort to government documents, particularly those of the I.C.C. Only in a few places does pungent local material come through. In summary, this is the sort of project which is more persuasive in prospect than it can be effective in execution. This is not to say that the treatment of many topics does not have genuine merit and that the author's balance on controversial matters is not exceptional and commendable. Besides, as he modestly states,

"the intent of this work, then, is to be suggestive."

Edward C. Kirkland
Bowdoin College

HARRY ESTILL MOORE: *Tornadoes over Texas*. Austin, University of Texas Press, 1958. 334 pages. \$5.00.

During the past ten years there has developed in the United States a considerable interest in the human aspects of disaster. Research in this area has been stimulated by agencies seeking guidance about what might happen in war-caused disaster, and, though the reviewer must confess doubt about the applicability of findings relating to floods, hurricanes, and tornadoes to a post hydrogen-bomb situation, there exists today a not inconsiderable body of literature on natural disaster which many social scientists find intriguing on its own terms. Moore's book will undoubtedly take its place in this literature as the most comprehensive study of natural disaster which has yet been published. The range of problems studied and the attention given to rehabilitation are exceptional.

Although primarily sociological in its orientation, the book has relevance for several audiences. There are chapters devoted to the economic impact of disaster, the legal and governmental problems involved in rescue and rehabilitation (these will probably surprise many readers), the role of mass-communication media, the differential effects of disaster in a biracial community, etc. Sociologists will be particularly interested in the biracial study and in the elaborate analysis of the im-

pact of disaster on various family types. Quite apart from social scientists, officials of various governmental agencies and voluntary organizations that have disaster-related functions — in both cases the number is surprisingly large — will find the book of considerable value. So, too, will the general reader who simply wants to learn what goes on when disaster strikes.

The weaknesses of the book are those inherent in disaster research. Such research is necessarily *ex post facto*, and "retrospective distortion" by informants is an ever-present hazard. As with virtually all disaster studies to date, the book is far more descriptive than theoretical, a fact which Moore recognized, since he entitled his concluding chapter "Toward a Theory of Disaster." Even so, the book contains many hypotheses which deserve the careful attention of disaster researchers, e.g., Moore's explanation of the negative attitudes toward the Red Cross which appear to develop in the rehabilitation phase of most disaster situations, or his discussion of residual emotional effects upon victims of the disasters, particularly in San Angelo.

Finally, at least one chapter has the happy "weakness" of having been dated in part by the research on which it is based. One would not expect to find all the problems of intergovernmental relations which Moore describes as existing in Waco and San Angelo in 1953 repeated in a disaster-stricken community today. And one reason for their not being repeated is that Moore's findings on these problems have to some extent become a factor in such situations.

H. J. Friedsam
North Texas State College

BYRON R. ABERNETHY (ed.): *Private Elisha Stockwell, Jr., Sees the Civil War*. Norman, University of Oklahoma Press, 1958. 210 pages. \$3.75.

Just as the American reading public was about to become convinced that the only soldiers below commissioned rank who wrote about the Civil War were Confederates, Byron Abernethy brought forth his edition of the reminiscences of a Yankee infantryman. Private Elisha Stockwell, Jr., volunteered in Company I, Fourteenth Wisconsin Volunteer Infantry, at age fifteen. He was mustered into service at Fond du Lac and left early in 1862 to participate in several of the important campaigns in the western theater of the war. Shiloh was his baptism in fire and by the time of the Vicksburg campaign, he was a seasoned veteran. He campaigned against Hood and fought in the Battle of Nashville, where the Army of Tennessee was dealt a crushing blow. Later, moving by water down to New Orleans and the Gulf, he helped capture Mobile and was moving overland toward Montgomery when news arrived of General Lee's surrender, news which, in his own words meant "the death knell of secession" and the end of this "cruel war." After serving garrison duty for several months, he was returned to Madison and discharged from service.

Stockwell was in many ways a typical soldier. Like any American soldier in any American army, he complained of the food, the pay, and the discipline and stupidity of his officers. Like most of his comrades-in-arms, he traded with the enemy, spent time in the guard-house, became an expert forager, suf-

fered from the heat and the cold, ministered to ailing feet, and experienced the discomfort and debilitation resulting from what the troops euphemistically called "the Tennessee quick step." Unlike many of his fellows, Stockwell admitted his nausea upon first encountering the dead and freely expressed his fear of going into battle.

The editor obviously proceeded with commendable restraint and the result is that Stockwell's narrative moves freely and briskly. It is admittedly an interesting account, but its historical value is considerably lessened by virtue of the soldier's longevity. Stockwell lived to be nearly ninety years of age and this reminiscence was begun when he was eighty-one—more than sixty years after the actual events happened.

Otis A. Singletary
The University of Texas

DEXTER PERKINS: *Foreign Policy and the American Spirit*. Ithaca, Cornell University Press, 1957. 251 pages. \$3.75.

CHARLES O. LERCHE, JR.: *Foreign Policy of the American People*. Englewood Cliffs, N.J., Prentice-Hall, Inc., 1958. 504 pages. \$7.50.

In recognition of his "rare spirit" and "scholarly attainments," Glyndon Van Deusen and Richard Wade have collected a number of Dexter Perkins' essays and addresses, many of which have appeared during the past fifteen years in learned journals. In these essays Perkins has two objectives: the defense of popular diplomacy, which he regards as uniquely American; and the attack upon "revisionist" historians of American war diplomacy.

For Perkins, American foreign policy has always been heavily influenced by public opinion, an opinion preoccupied with general principles of international behavior and pacifism. So-called "realists," like Hans Morgenthau and George Kennan, deprecate at their peril the idealism and dogmatism of public opinion, because in American politics public opinion cannot be ignored or minimized, and on balance American diplomacy has been in many ways superior, and in no substantial way inferior, to diplomacy autocratically conceived and controlled. Perkins finds revisionism "very largely wishful thinking after the event, history by unprovable hypothesis."

Perkins speaks eloquently from rich experience and rare perspective, and in spite of some unavoidable repetition from essay to essay in points and examples, this book is worth the reflective reading of students of American diplomacy.

Lerche's new textbook is built around a rather tightly organized "conceptual scheme" for the study of contemporary American foreign policy, a scheme briefly outlined in the opening chapter. Lerche precedes the development of his scheme with summary treatments of two "givens," or relatively fixed elements of American foreign affairs: the agents and agencies of foreign-policy formulation and the execution and public attitudes and policy landmarks of nineteenth- and twentieth-century (to 1945) diplomatic history. Then he investigates the substance of the national interest from the two vantage points of the conceptions of the mass public and those of decision-making elites. Next Lerche describes three "situational factors"—world politics after 1945, the challenge

of Russia, and American response capabilities—and makes a brief résumé of United States "Cold War" policy. Finally he examines in four chapters the continuing political, military, economic, and psychological problems of American foreign policy.

The focus of the text is upon current policy problems, especially those associated with United States-Soviet Union relations. Governmental machinery and policy-making processes receive short, almost dictionary-like, treatment. The mood of the book is optimistic. It champions democratic control of foreign policy. It is well organized, wholly consistent, well written, and as current as Sputnik.

Wallace B. Graves
DePauw University

GLEN H. BEYER and J. HUGH ROSE:
Farm Housing. New York, John Wiley & Sons, Inc., 1957. 194 pages. \$6.00.

This is another in the excellent Census Monograph Series, sponsored by the Social Science Research Council, that pull together and analyze material from the 1950 Census of Agriculture and the Census of Population and Housing.

This monograph relates data on farm housing—such as size of dwelling, date of construction, condition, plumbing facilities, electrical facilities, heating systems, cooking fuel, and refrigeration—to such factors as geographic area, farm economic level, family income, family size, tenure, migration, and nearness to urban centers. Special analysis is given in one chapter to nonwhite housing. Some information is given on trends from 1940 to 1950. Of the

nearly 200 pages, about 120 pages present text and analytical tables. The Appendix includes nearly 50 pages of 120 additional tables. Thus this book is a convenient source of census farm-housing data for economists, sociologists, political scientists, and other social scientists.

This book should be of special interest to market analysts interested in the rural-market demand for construction supplies and household equipment. It might well be helpful also as supplementary reading material for courses in real estate, rural sociology, agricultural economics, and consumption economics.

The authors are to be congratulated for their emphasis on the census classification of the farm-housing data within major regions by economic class of farm and family income. In these days of rural population shifts from full-time farming to part-time farming or non-farming status, the continued prevalence of low-production farms and rural slums, and the increasing importance of larger commercial farms as the efficient-sized family farms, a wide divergence in rural income results. Analysis is impeded greatly without such classification, for income and location are the dominant factors in housing analysis. The U.S. Census Bureau is to be thanked for undertaking, with the help of the U.S. Department of Agriculture, the project that matched schedules from the Census of Population and Housing with those from the Census of Agriculture and that related data from the two sources for a sample of farms. This made possible the analysis of housing data by economic class of farm and income. It is to be hoped that this monograph will so help to demonstrate the usefulness of such crossclassification

that census administrators will plan for direct methods of such analysis in the next decennial census.

Sydney C. Reagan
Southern Methodist University

INA WOESTEMEYER VAN NOPPEN
(ed.): *The South: A Documentary History*. Princeton, N.J., D. Van Nostrand Company, 1958. 564 pages. \$6.75

This comprehensive collection of readings on the South opens with an account of Spanish explorations in the early sixteenth century, ends with an appraisal of economic conditions in 1956, and includes material on all aspects of Southern life during the 450 years intervening. The social, artistic, intellectual, religious, economic, political, and military phases of the South's history, and the life of both the white and the Negro are illuminated by the several hundred selections from almost as many different authors. Most of the readings are primary accounts, but some are from secondary works. They are taken from a wide variety of sources—speeches, newspaper articles, travel accounts, statute books, diaries, reminiscences, letters, novels, and histories.

The editor's equal division of space between the Old South and the New will seem satisfactory to most readers, though some might wish that the material on the complex developments of the last hundred years had been more heavily weighted. She has included some selections critical of the South, but on the whole the collection reflects a genuine sympathy for that section, and it will find readier acceptance there than in the North.

A perceptive ten-page introduction

by Francis B. Simkins points out some of the characteristics that through the centuries have distinguished the South from the rest of the country—its "unique and unchanging climate," "the doctrine of White Supremacy," "the country-gentleman ideal," "the deep piety of the Southern people," "powerful nativism," and "hot biscuits" and other items in the section's "peculiar diet." He also briefly explains why efforts to make the South uniform with the rest of the nation have failed and points out that Southern variations from the norm are not necessarily evil "merely because they are variations."

The lack of a detailed table of contents makes the volume somewhat difficult to use, but instructors in courses on the history of the South will find it a useful companion volume for the assigned text. Where library resources permit, instructors will still want to encourage their students to turn to the books from which these selections have come, but this volume will whet their appetites and help make that encouragement effective.

Brainerd Dyer

University of California (Los Angeles)

W. O. FARBER, PHILIP A. ODEEN, and ROBERT A. TSCHETTER: *Indians, Law Enforcement, and Local Government*. Report No. 37, Governmental Research Bureau. Vermillion, University of South Dakota, 1957. 92 pages. \$1.00.

Few readers of this slim volume will be surprised to learn that the crime rate is higher among Indians than among whites, or that Indians and alcohol do not mix satisfactorily. Statistics to substantiate these assertions, and others,

were secured by questionnaires and numerous interviews with law-enforcement agents, welfare workers, employees of the Indian service, and tribal spokesmen.

The real significance of the study is the indication of what the federal-withdrawal policy, instituted in 1950, holds in store for local units of government with heavy Indian populations. As the authors make clear, South Dakota cannot now adequately care for its current responsibilities of law enforcement and rehabilitation. Already burdened with an archaic system of overlapping jurisdictions and operating under a severe financial strain, local units face fiscal disaster if called upon to shoulder, without adequate federal subsidy, the Indian's legal problems.

Though the authors are concerned primarily with the effects of federal withdrawal on local government, they suggest that the Indians might not fare too well, either, if their lives and fortunes are transferred from the guardianship of the federal government to state and local governments. The authors' research indicates that although the Indians in South Dakota communities may not suffer from deliberate discrimination, the local social patterns produce much the same thing. As Dean Acheson noted in his dissent to the report of the First Hoover Commission (which initiated the policy of federal withdrawal), the experience of the Cherokees with the state of Georgia "make a novice in this field pause before endorsing a recommendation to assimilate the Indian and to turn him, his culture, and his means of livelihood over to State control."

William T. Hagan

North Texas State College

CONRAD TAEUBER and IRENE B. TAEUBER: *The Changing Population of the United States*. New York, John Wiley & Sons, Inc., 1958. 357 pages. \$7.75.

The main facts about the population of the United States are stored in the reports of the national census, taken every ten years since 1790. But one wishing to learn these facts from the original sources would face the almost insuperable task of examining some 150 large volumes of material and more, most of it in the form of tabulations. Besides this, to give meaning to his findings, he would have to analyze and compare the figures and subsequently interpret them in the light of the general history of demographic development in the country as a whole. Such is the gigantic task undertaken by Conrad and Irene B. Taeuber in their book *The Changing Population of the United States*.

Despite the wide range covered, in time and area and numbers, the authors have produced an excellent work of readable length. And the contents are by no means limited to selections from the censuses. History, vital statistics, and the treatment of vital statistics by demographers in their calculations are also included in the effort to present a clear picture of what has happened—in almost every aspect—to the population of America from 1790 to the present. The reader's attention is called to the great changes—urbanization, immigration, the increase in numbers, shifts in birth and death rates, as well as to such less spectacular matters as marital status, diminution of the family, and the rise of education, occupational complexity, and per-capita income.

To the reviewer, the last part of the book, "Conclusions," is especially interesting. Here the authors sum up their results and present an analysis of the relationships, demographically speaking, among the several regional divisions of the United States. This leads naturally into a discussion of the future, for interested though we may be in the clear view backward, it is the look into the future with which we are truly entranced. Here the authors are a bit disappointing. But the outcome of the forecast of the 1930's have not been forgotten. Almost to a man the demographers of that day prophesied that by 1950 we would have a stationary, or even a falling, population. The future looks different now, but the Taeubers take no chances. They give several estimates concerning the population of the future, carefully pointing out that these are only calculations based on assumptions and are not to be regarded as predictions.

The reviewer, however, is willing to take a chance. He predicts a long and useful life for this book.

Carl M. Rosenquist
The University of Texas

EDMUND DE S. BRUNNER: *The Growth of a Science: A Half Century of Rural Sociological Research in the United States*. New York, Harper & Brothers, 1957. 171 pages. \$3.00.

To write this history of the discipline, the author undertook the staggering task of reviewing some fifteen hundred rural sociological studies published since the turn of the century. The result, this slender but substantial volume, merits the considered attention of all sociologists.

A topical rather than a chronological order of presentation is used, and community studies, population research, research on social institutions, research in rural social organization, sociological aspects of economic problems, and regionalism, suburbanism, trends and values are each the subject of a chapter. The concluding chapter is a summary, particularly of methodology and theory in rural sociological studies. The subject matter throughout is treated chronologically, covering the more important areas of the topic. Thus, in the chapter on community studies, a brief introduction discusses early community studies and is followed by the following subheadings: Community Studies Expand in Scope, Findings and Generalizations Begin to Emerge, Later Studies Take New Directions, The Department of Agriculture's Series, Community Case Studies, Neighborhoods, Utilization of Community Studies, Defining the Community, Theory, and Conclusion.

The value of this book, the contribution which it makes to social-science literature, lies in the concise, yet remarkably clear, presentation of the major lines of development of rural sociology. Even more importantly, it presents the major significant generalizations of the discipline, as well as mention of the more useful research methods. No researcher in rural sociology should ignore its contents, and no better source exists for an understanding of rural sociology by those who are unfamiliar with this vigorous subdiscipline.

J. V. D. Saunders
Mississippi State College

JOSEPH B. GITTLER (ed.): *Review of Sociology*. New York, John Wiley & Sons, Inc., 1957. 588 pages. \$10.50.

This book presents a review and evaluation by distinguished scholars of the significant writing and research in sociology for the decade 1945-55. One who wishes to become oriented to the meaning of the important researches of that period can find them cited and interpreted here.

It is obviously impossible to review the many rich chapters in a few words, for most areas of sociological research are covered in a packed 588 pages. The outstanding merit of the evaluations speak for themselves when some of the subjects and authors are mentioned: "Sociological Theory," Joseph B. Gittler and Ernest Manheim; "Quantitative Methods," Samuel A. Stoffer; "Population Research," Clyde V. Kiser; "Personality and Social Structure," Bert Kaplan; "Collective Behavior," Herbert Blumer; "The Urban Community," Noel P. Gist; "The Rural Community," Howard W. Beers; "The Study of Social Stratification," W. Lloyd Warner; "Social Institutions and Voluntary Associations," F. Stuart Chapin; "Industrial Sociology," William F. Oote Whyte; "Marriage and the Family," Robert F. Winch; "Structure and Dynamics of Small Groups," Robert F. Bales, A. Paul Hare, and Edgar F. Borgatta; "Racial and Cultural Relations," Robin M. Williams; "The Sociology of Delinquency and Crime," Marshall B. Clinard; and others.

The book will be of primary value as an excellent bibliography and a brilliant critical analysis. Enough is presented in each chapter to interest the reader in examining the basic researches themselves. This is one purpose of the book. The profession is indebted to Editor Gittler for his skillful work. The

book should be on every sociologist's desk.

Leslie D. Zeleny
Colorado State College

AUGUST B. HOLLINGSHEAD and FRED-
RICK C. REDLICH: *Social Class and
Mental Illness: A Community Study*.
New York, John Wiley & Sons,
1958. 442 pages. \$7.50.

For some time there has been a rather uncomfortable suspicion concerning the validity of the categories for mental illness. The elaboration of the extensive research findings of these collaborators—a sociologist and a psychiatrist—clarifies much of the ambiguity that engenders this suspicion. At least in one metropolitan community in New England, the site of this study, family social status is a powerful ingredient in the state of one's mental health, and should that state indicate "neurosis" or "psychosis," one's status influences the treatment in important ways.

Here is a sampling of the findings: For patients with illnesses in the overall category of "neuroses," there was no association between kind of neurosis and treatment given. Yet there was a marked connection between the neurotic patient's class status and the kind of treatment received. Treated neuroses increased as social status increased; there was an inverse relationship in the case of psychotic disorders.

The practice of psychiatry is thus hitched to the status system. Psychiatrists themselves have scaled the status ladder and enjoy arrival in Class I, the top social stratum in the community studied. Psychoanalysts primarily serve Classes I and II, whereas directive-or-

ganic therapists nurture Classes III and IV. Class V, on the bottom, is relatively immune to modern psychiatry.

Many psychiatrists do not understand the cultural values of the lower classes, and lower-class patients rarely understand terms common in the psychiatrists' vocabulary. They do not communicate well with each other! But then the lower-class person, being relatively insensitive to his own behavior yet easily aroused by any veiled accusation that it is abnormal ("crazy"), must show pronounced symptoms before he is likely to see a psychiatrist anyway. Indeed, private practitioners and hospitals are scarce and expensive.

Shouting from the pages is a persistent refrain: Psychiatrists are unaware of, ignore, or evade the class factor in their practice. They rarely mention class as a variable in diagnosis, prognosis, etiology, or treatment of mental illness. That it is a salient factor, however, is attested by the abundance of data presented. Variations on the theme occasionally turn dramatic: "The goddess of justice may be blind, but she smells differences."

The authors' plea for new approaches to treatment of the mentally ill deserves attention, and is distinctive for its manifest emergence from the data. But one wonders whether the status system will respond to research. And this study shows that psychiatry isolates itself from the status system only in theory.

Leonard G. Benson
North Texas State College

ARNOLD M. ROSE (ed.): *The Institutions of Advanced Societies*. Minne-

apolis, University of Minnesota Press, 1958. 691 pages. \$10.50.

This symposium deals with the study of the institutions of the advanced societies. The United Kingdom, Australia, Finland, Poland, Yugoslavia, Greece, Israel, France, Brazil, and the United States are examined in individual chapters written by different authors. The editor has contributed a long and thoughtful introduction on the comparative study of institutions. An advanced society, according to him, exhibits the following traits: (1) it includes several heterogeneous subcultures; (2) it is going through a process of rapid social change; (3) it possesses an economy which displays a high degree of division of labor; (4) intercommunication among its members takes place through mass media of communication rather than through direct contacts; (5) through its technology an advanced society can control, within certain limits, its environment. Institutions are clusters of behavior patterns with a high degree of specificity and internal cohesiveness. To the extent to which such institutions are overtly specified, they are formal institutions.

The individual chapters, despite the promise in the title of the book and in the editor's introduction, are little more than useful encyclopedic surveys covering population trends, ethnic and regional subcultures, social class and status mobility, economic organization and welfare, economic controls and welfare measures, organization of agriculture, industry and commerce, human relations in industry, use of leisure, law, politics and religion, government, public opinion, press and pressure groups, regulation of sex relations, kinship

community and the home, national character and personality, immigration, ethnic composition, etc.

There is no doubt that the reader and the teacher will find here useful information, competently assembled and clearly presented. But, at the same time, the book attempts to cover so much that its comprehensiveness becomes a weakness. Besides, except for the editor's introduction, there is little theoretical effort to explain and to compare; to find common institutions and explain differences. The volume is primarily a good source book.

Roy C. Macridis

Washington University (St. Louis)

FRITZ MORSTEIN MARX: *The Administrative State: An Introduction to Bureaucracy*. Chicago, University of Chicago Press, 1957. 202 pages. \$4.00.

This book should be on the must list of those who are trying to understand the function of bureaucracies in government. It contains the perceptive analysis of one who had two pre-eminent qualifications for his task: He has served over a period of years in a succession of bureaucracies—civil and military—and he has served in different nations. He has studied profoundly the literature on past and present bureaucracies. The result is a truly comparative analysis integrated by the purpose of showing the nature of bureaucracy—with its complexities and diversities—and its functional role in government.

The sweep of the discussion can be indicated by reference to one of the chapters: "Types of Bureaucracies" discusses guardian, caste, patronage, and merit bureaucracies and draws its il-

lustrative data from experience in China, Brandenburg-Prussia, modern Germany, Great Britain, France, the Roman Empire, Japan, and the United States. The relevance of the book can be revealed by citing some of the pointed comments from the chapter "Perspectives": Automation "is likely to furnish a strong incentive to cut down the welter of routine controls" and will confine customer contacts of government to "application houses." The concept of the capital city is obsolete and "Operation Scatterbrains" is dictated by necessity. The top cadre of career men "must shift their attention from watching 'processes' to measuring their impact, from 'getting things done' to giving each citizen his due, from the technology of administration to its effect upon the general public, from utility to ethics." But the depth and perceptiveness of the discussion can be appreciated only by an excursion into the rich analysis of the ways of bureaucracy and the habits of bureaucrats.

Methodologically, this book is intuitive analysis, conditioned subjectively by sensitivity to the common good, but given objectivity in part by the author's knowledge of historical and contemporary fact and his feeling for reality and relevance.

Emmette S. Redford
The University of Texas

HAROLD EUGENE DAVIS (ed.): *Government and Politics in Latin America*. New York, The Ronald Press, 1958. 539 pages. \$6.50.

This textbook of eighteen chapters, written by eleven contributors, including the able editor, is organized in topical form and therefore joins the Pearson

and Gil and Jorri n textbooks in this field, in contrast to the Macdonald text, which treats Latin-American government country-by-country.

Editing a series of papers written by men with common interests in subject matter but with somewhat different backgrounds, experiences, and viewpoints is at best difficult. Davis succeeds in providing more continuity than is usual in such volumes. On the other hand, the contributions vary from research studies to summarizations of readily available data, there is fairly frequent repetition of subjects and materials, and occasional disagreements as to interpretation factors which may stimulate some students and possibly confuse others. The best way this reviewer has found to measure the effectiveness of a new text is to try it on the students, a test he plans to make with this book in the near future.

Although separate chapters are devoted to the Army and organized labor, the Roman Catholic Church is mentioned only incidentally in various of the chapters. Some Latin Americanists probably would argue that the Church is such a central element in Hispanic culture—including government and politics—that it deserves a separate chapter. When political movements and political thought are discussed, communism is given only one paragraph of fewer than seventy words, though brief references to communism appear elsewhere in this chapter and in other chapters in the book. Some Latin Americanists, this reviewer included, believe that communism as an ideology and as a political movement in Latin America merits more attention if balance and perspective are to be provided. This is, of course, a matter of opinion.

The chapters provide footnotes and bibliographical references which the student will find useful. Latin Americanists cannot be expected to agree always on what are the standard and classical sources that should be used in a book of this kind. On the other hand, it is evident that more recent and more reliable sources are available than some of those used and cited in a number of the chapters.

In spite of these comments, this is a welcome addition to the growing list of texts on Latin America. This reviewer enjoyed reading the volume and believes that the Latin Americanist and general political scientist will also enjoy it.

William S. Stokes
University of Wisconsin

EDWARD J. FOX and DAVID S. R. LEIGHTON (eds.): *Marketing in Canada*. Homewood, Ill., Richard D. Irwin, Inc., 1958. 437 pages. \$6.50.

The American Marketing Association is to be commended for sponsoring *Marketing in Canada*. This is the first attempt to bring together in one book practically all the aspects of marketing in this neighboring country. It is a compilation of the contributions of some forty selected authors from business, government, and academic circles. The material is well organized. Various approaches to the study of marketing are interwoven, including the historical, institutional, functional, and commodity aspects of the subject.

In addition to accomplishing its principal purpose of providing useful information about marketing in Canada for businesses desiring to market there, the book is also a very valuable source

of information for Canadians and offers much for the student of marketing. Moreover, the editors give additional sources for the reader's use in pursuing the subjects presented.

This book sets forth many reasons why the Canadian market should not be considered as merely an extension of the United States or United Kingdom market. Canada is a market with its own peculiarities and special characteristics. One of the outstanding features of this volume is the comparisons of similarities and differences between marketing in the United States and in Canada. The differences spring from the consumers themselves—their customs and traditions, the problem of dual language, the question of population density, the variances in per-capita incomes and per-capita sales, the differences existing within the Canadian market expressed by the regional markets. A firm desiring to market in Canada will want to give these matters studied consideration.

Similarities in marketing in the United States and in Canada are particularly apparent in the chapters on wholesaling and retailing. The statistical data describe changes in the wholesale situation over the past twenty years. The data are similar to those found in the U.S. Census of Business; in fact, the structure of wholesale trade in Canada is very similar to that of the United States. The differences are mainly of degree rather than kind.

The American marketer will find the section on regulation both interesting and informative, for it treats the anti-trust issues, the chain-store question, and the laws governing the marketing of food and drugs.

A suitable injection of practical marketing is provided by the case histories

of five companies, describing problems encountered by firms marketing in Canada and some of the methods used in solving these problems.

Statistics presented bear out the fact that the situation in Canada is dynamic—it is changing rapidly and moving in the direction of industrialization and urbanization. Economic forces operating in the Canadian market seem to point toward continued growth, and likely at a faster rate in the next twenty-five years than during the past quarter-century.

The following quote summarizes very well the theme of this book: "To both the American and the British manufacturer, Canada is a challenging market area—rich in potential, difficult to capture, but loyal to the good product once it is accepted."

Marketing in Canada is a worthwhile contribution to marketing literature.

William H. Day
University of Tulsa

H. OTTO DAHLKE: *Values in Culture and Classroom: A Study in the Sociology of the School*. New York, Harper & Brothers, 1958. 572 pages. \$6.00.

The title of this volume correctly labels its content and charts the course of its exposition: the impact of the prevailing culture (especially the historically evolved assumptions, norms, and value orientations) upon the school as an institution and equivalently upon the motivations of the patrons, teachers, and students in respect to the school and its function. This community impact upon the school is shown to operate formally through the institutional framework and informally through

economic pressures, contradictory theories about the aims and methods of education, traditional antiintellectualism, democratic presuppositions, and the individualism of our time.

From such perspectives the author, in a highly informative and attention-challenging manner, deals with the following main subjects: The sociocultural context of education and the school, the structure and organization of the school, informal social structure and relations within the school, the teacher in the school and in the community, and the school in the center of the controversy. Separate chapters are devoted to such basic subjects as the value orientation of the school, the legal order and education, the functional order, the normative order, the bearing of special interests upon the school, educational controversy, and law.

This comprehensive organization of factual materials is interpreted from the standpoint of the reciprocal influence and obligation between the community and the school. The institutional approach of the study signifies that the school in its constitution and function is an expression of the modal, tradition-formed community whose merits and shortcomings it therefore embodies. In addition the school reflects local conditions, such as the divisiveness concomitant to racial, ethnic, class, and other sources of disorganization. But the institutional character of education also means that the school has the delegated obligation to provide warranted goals, standards, and methods of education appropriate to the nature of the evolving social order. Such relatedness of the phases of the institutionalized life supplies the basis for the author's assertion that the controversies about

educational aims and methods have their roots in our current assumptions—even if mostly implicit and only partly warranted—which have evolved during the past two centuries.

The comprehensive scope of the subject matter, the balanced organization, and the versatile presentation, as well as the timely importance of Dahlke's study assures its serviceability as a text in college courses and study groups and as a guide for public-school personnel and patrons.

E. T. Hiller
University of Illinois

WALTER S. BUCKINGHAM, JR.: *Theoretical Economic Systems*. New York, The Ronald Press, 1958. 518 pages. \$7.00.

Buckingham seeks to present, compare, and evaluate "the leading theories" advanced "to explain the operation of major types of economic systems" and offers his own "tentative conclusions on the direction in which modern economies seem headed." His principal conclusion is that, barring a "suicidal conflict," either a "worldwide economic system" or "at least a world of politically separate but economically compatible systems, seems likely to emerge." This conclusion rests on his argument that capitalism is in the process of adopting some of the foundations of socialism (a greater degree of equality of incomes, worker control over conditions of employment, and increased reliance on economic planning), and that the Soviet Union has been borrowing capitalist techniques (wage and income differentials, profit and interest calculations, and limited

property ownership, to mention a few of those cited).

The broad sweep of the book necessarily results in a superficial treatment of some ideas. Moreover, some readers will object to the author's statement that Keynesian economics adopts the "viewpoint of mercantilism" to achieve the "goals of classical economics." Elsewhere (p. 247) one is left with the impression that George Stigler "modified and refined" the theory of the kinked oligopoly demand curve as an explanation of price rigidity rather than that he claimed to have refuted it empirically. At the same time, the general survey of oligopoly theory is useful and not unnecessarily technical.

The fact that the book has been designed both to serve as a textbook and to provide the working economist with a summary of the theories outlined probably accounts for the inclusion, on the one hand, of some rather familiar elementary material, and for the sketchy treatment, on the other, of some ideas which one who is not an economist may find hard going. Nevertheless, since it contains a well-written and reasonably accurate historical and analytical review of most of the major economic ideas advanced by English-speaking economists since Adam Smith, the book can probably be read with profit by graduate students in economics and by economists currently engaged principally in the study of particular problems rather than of theory in general.

H. H. Liebbafsky
The University of Texas

EDWARD PODOLSKY (ed.): *Neuroses and Their Treatment*. New York,

Philosophical Library, Inc., 1958.
555 pages. \$10.00.

The prevailing point of view in this collection of papers is psychoanalytic. As indicated in the title, neurosis, defined as "essentially a conditioned anxiety reaction," is the basic subject. The editor has obviously made a careful effort to present his subject and his point of view through a varied assortment of theoretical discussion, case materials, and studies which represent extensive statistical analysis of clinical data or experimental findings. To judge from the introduction and the papers themselves, an audience of physicians was uppermost in mind when the book was being compiled.

The book is organized roughly in the order of the life cycle. The initial papers, by Rene Spitz, are concerned with anxiety in the first year of life, and with psychiatric therapy in infancy. Some clinical features of hysteria in children are reported in an excellent follow-up study of forty-one patients by Robins and O'Neal. Several cases of hysteria in childhood are then discussed by Farnham, followed by a detailed record of the psychoanalysis of a girl of fifteen who presented "grand hysteria of Charcot." Three more papers on neurosis in childhood complete the first, and probably the most unified, section of the book.

Psychoanalysis in everyday life is the dominant theme of the next five papers. The articles that follow are grouped around these successive themes: anxiety, a selection of specific disease entities associated with neuroses, emotional problems related to the aging process,

and evaluation studies of various therapeutic techniques.

In a collection of this type, there is room to choose in terms of both interest and utility. For this reviewer, Lydia Dawes's detailed case review of her psychoanalysis of an adolescent charity patient was one of the most interesting papers. Unlike so many recent autobiographical versions of the analytic experience, the patient in this case has suffered social and emotional deprivation, not just emotional; one cannot help but be struck by the "sensational" aspects of the case and their close resemblance to fictional stories of small-town life, including the recent *Peyton Place*. A very different paper, but equally interesting from a scientific point of view, is the evaluation of psychotherapy by Miles, Barrabee, and Finesinger.

The book is definitely disappointing in its consideration of the social factors that contribute to mental illness. That Podolsky is not familiar with recent developments in studies of culture and personality is evident in the following passage from his own paper on anxiety: "Primitive man related everything to present circumstances; he had no notion of future events. Only immediate dangers were avoided by him. He experienced fear when frightening stimuli were present but he was not anxious about future happenings." The author need only read a few pages about the Dobuans to see how naïve such a statement will strike anthropologists.

On the whole, this book will be of most value for physicians in general practice or in nonpsychiatric specialties. For medical students and graduate students of clinical psychology it will serve

as a good library aid. As a textbook for a specific course, on the other hand, this book—like so many collections of articles—does not stand strongly on its own.

Samuel W. Bloom
Baylor University

JAMES M. BUCHANAN: *Public Principles of Public Debt*. Homewood, Ill., Richard D. Irwin, Inc., 1958. 223 pages. \$5.00.

This book is a meticulously logical analysis of the theory and management of governmental fiscal policy. It deals primarily with public debt but always within a context of the alternatives to such debt: taxation, currency creation, or a reduction in expenditure, thus providing both a theory of, and a standard for, decision-making on a governmental level.

Able presented and defended is the three-point thesis that places the author in primary agreement with the classical and vulgar thinking regarding debt-creation: (1) The primary real burden of a public debt is shifted to future generations. (2) The analogy between public debt and private debt is fundamentally correct. (3) The external debt and the internal debt are fundamentally equivalent. Thus, the "new orthodoxy" is shown to be a conceptual fallacy.

Since this three-point thesis is in direct and unmitigated contradiction to the concept of debt held by nearly all twentieth-century professors of economics, and since the book is precisely and coldly analytical in its presentation, any who would defend the currently held public-debt concept will be forced to turn from the "experts' opin-

ion" type of argument and to answer Buchanan with the same scrupulous logic that he here employs.

Following the analysis of the nature of public debt is an exposition of the relationship between this new concept and general price-level analysis, including its effect upon both consumption and investment spending. The question, When should the government borrow? is studied as being related to the question, When should the government spend and to what purpose? The depth of Buchanan's analysis is evidenced by his considering these questions as facets of the greater problem: What proportion of total economic resources is to be used for public purposes and what for private purposes?

The author states that to the current generation the "new orthodoxy's" concept of debt-payment introduces no new problems of social choice. However, his re-establishment of the vulgar approach to debt problems entails the payment by future generations of costs accepted by the present generation. Thus debt retirement does necessitate an involuntary payment by persons who did not receive any benefit from the creation of the debt. Consequently, no fair comparison of benefits with costs can be made and no voluntary market transaction has been consummated.

The special problems of depression borrowing, war borrowing and debt retirement receive the same searching scrutiny, which all too seldom is available to policy-makers today. As the book is limited to principles, treatment of the conceptual revaluation of the national debt is limited to the Appendix.

This book will no doubt generate explosive controversy within the economics profession, for it orders an "about-

face" in the basic concept of a major governmental policy area. It is to be hoped that it will also be read outside the economics profession by policy-makers in government. And, while the uninformed would no doubt enjoy perusing this scholarly defense of what they in their ignorance have known all along, the terseness of the text and the paucity of historical material in support of the thesis make it difficult reading for anyone not thoroughly familiar with the theory of public debt.

Mary Sue Garner Staig
Tarleton State College

GRIFFITH TAYLOR (ed.): *Geography in the Twentieth Century*. New York, Philosophical Library, Inc., 1957. 674 pages. \$10.00.

Any undertaking of the scope indicated by the title of this book will necessarily fail to give complete satisfaction to all its readers. Those geographers who found the 1953 edition wanting will find little in this edition to change their opinion. No major revisions have been undertaken. The chapter on Antarctic exploration has been enlarged and an addendum attached to bring it up to date, but since the book went to press when the International Geophysical Year was barely under way, this chapter is already dated. The only other change of any consequence in this edition is the inclusion of a chapter on the relationships between history and geography, by H. C. Darby, which will be welcomed by most readers.

The book is still organized in three parts, the first dealing with the philosophy and evolution of geography. The most provocative aspect of this section is the "determinism-possibilism" contro-

versy. It is possible, however, that Editor Taylor's deterministic position may be viewed more favorably than formerly in the light of present geographic opinion. It is to be regretted that this section still does not include in its treatment of the "national" schools of geography important developments in countries other than France and Germany.

The second part deals with environmental considerations — developments in geomorphology, meteorology, climate, soil geography, and regionalism. Special attention is given to pioneer, tropical, and polar environments. The third part treats of the special fields of geography and its relationship to kindred disciplines.

Although the ambitious scope of *Geography in the Twentieth Century* is the reason for its critical reception by its readers, the scope is also the reason it is a necessary part of any geographical library. The list of distinguished contributors requires that it not be dismissed lightly. Whatever its shortcomings, the book succeeds in large measure in filling a gap in our geographic literature. It is a volume that can be read with profit by every practicing geographer and is a must on the reading list of any graduate student.

Yvonne Phillips
Northwestern State College

MAURICE CRANSTON: *John Locke*. New York, The Macmillan Company, 1957. 496 pages. \$8.00.

John Locke has always intrigued American readers. His *Two Treatises of Government* has long been regarded as a basic source for the formulation of our Constitution, his *Letters for Tolera-*

tion is still quoted as classic examples of the liberal argument on this matter, and amongst philosophers his *Essay concerning Human Understanding* continues to hold a high place. In short, John Locke is as much a part of the American cultural tradition as he is of the English.

The appearance of this new biography of Locke is accordingly a matter of interest, especially since it is the first to incorporate material from the collection of Locke's personal papers acquired by the Bodleian Library in 1948. The author has done a painstaking job of reviewing and, in some cases, re-evaluating the previously known Lockean sources and has filled in existing gaps with the new Bodleian materials. The result is the most careful and exact biography of Locke that has appeared. Attention to biographical detail has had, however, in some respects an unfortunate effect. After reading the book one feels that he has experienced a minute chronology of Locke's activities but is still somewhat in the dark about the human qualities of the man. Certain of his personal traits do emerge, as, for example, his inherent caution which led him to devise a form of shorthand, intelligible only to himself, his desire to conceal his authorship of the *Letters*, his somewhat stingy conduct in business and financial affairs, and his rather ungenerous effort to disassociate himself from his patron Lord Shaftesbury following the latter's death. Much of this, of course, can be attributed to the period of unrest during which he lived, but the failure of the author to evaluate these qualities along with Locke's more attractive ones and to produce a concise summary of his total personality is the one failing of the book.

Of interest to readers will be the author's demonstration that Locke's *Two Treatises* was not written to justify the Glorious Revolution, nor intended to be an answer to Hobbes, but rather is to be viewed solely as a refutation of the arguments advanced by Filmer in his *Patriarcha*. Of value too is the account of Locke's meeting with William Penn and his detailed criticism of Penn's proposed *Frame of Government*.

All in all, we have now a definitive biography of a man whose catholic interests included the study of medicine, philosophy, politics, economics, and theology, who lived during one of the most crucial periods of English history, and whose contributing influence on our thought is felt today. It is recommended as a book well worth reading.

H. Malcolm Macdonald
The University of Texas

NOEL M. LOOMIS: *The Texan-Santa Fé Pioneers*. Norman, University of Oklahoma Press, 1958. 329 pages. \$5.00.

Noel M. Loomis has already established himself as a writer of Western historical novels. In *The Texan-Santa Fé Pioneers* he is able, with few exceptions, to place himself wholly in the role of a legitimate historian. Although the Santa Fe Expedition has been severely criticized, Loomis—at least to his own satisfaction—proves the expedition was not the scatterbrained idea of a pompous individual that it has sometimes been pictured.

The treasury of the Republic of Texas was empty when Lamar became president, and his policies had brought further debt. There can be no doubt that

Lamar wanted to establish control over all the territory that Texas claimed. At the same time he must have realized the possibilities involved in Texas' obtaining the Santa Fe and Chihuahua trade routes. Lamar did not anticipate that the Santa Fe Expedition would bring, along with other incidents, the question of annexation before the American people in such a way that it would result in annexation. It may also be said that this \$80,000 expedition gave Texas such a strong claim to parts of New Mexico that in 1850 the United States would pay Texas \$10,000,000 for her claim. The Santa Fe Expedition, with other causes, eventually brought the Mexican Cession into the United States, an area larger than that included in the Louisiana Purchase.

The author speculates on what might be the present status of Texas and the United States if the Santa Fe Expedition had been successful in establishing satisfactory trade and political relations between Austin and Santa Fe. The Mexican invasion of Texas in 1842 would not have occurred, and Texans might not have pressed for annexation. There surely would not have been war between the United States and Mexico in 1846, though it might have come eventually.

Loomis tells the story of the Santa Fe pioneers in an interesting way, but he contributes little to historical knowledge in his text, for he accepts H. Bailey Carroll's trail route and uses the same material that others have gone over carefully. In Appendix A he has compiled a composite list of the men who participated in the expedition, and this makes an interesting contribution. Yet he admits the list can be little more than suggestive and that perhaps many

errors have been made.

A more judicious use of dates would enable the reader to follow better the chronological story.

C. K. Chamberlain

Stephen F. Austin State College

WESLEY McCUNE: *Ezra Taft Benson: Man with a Mission*. Washington, Public Affairs Press, 1958. 123 pages. \$2.50.

Persons with a vested interest in attacking Secretary of Agriculture Benson and his farm policies will find this brief profile an indispensable handbook. Others can safely ignore it.

This latest offering from one who has in the past provided such useful descriptions of agricultural group politics as *The Farm Bloc* (1943) and *Who's Behind Our Farm Policy* (1956) hardly rises above the level of campaign literature. Hastily executed, it consists for the most part of quotations from various newspapers, magazines, and trade journals, apparently selected solely for their usefulness in casting the subject in a bad light. The promise of a "documented analysis" is not kept; from the opening comments on Benson's pre-Cabinet background as a Washington lobbyist and religious leader through the final, stock-taking chapter, one finds only superficiality and irrelevancy. Even the saving grace of freshness is lacking, for many of the quotations and the comments which (loosely) hold them together have appeared in the author's earlier books.

With farm policy in this country at a critical stage, a penetrating analysis of the politics and economics of the Benson program is badly needed, but

this volume does nothing to fill the void. Indeed, it is hard to see that it contributes anything other than a supply of low-grade political ammunition. Editorship of the house organ of the Farmer's Union may impose obligations of this sort on McCune; let us hope it does not at the same time preclude his making some worthwhile studies of the politics of agricultural policy.

H. C. McCleskey
The University of Texas

The review of Job Evaluation: Text and Cases, which appeared in the September, 1958, issue of the QUARTERLY, inadvertently omitted the names of the authors of this book. We regret this omission and apologize to Authors John A. Patton and C. L. Littlefield, and to their publisher, Richard D. Irwin, Inc.

BOOK REVIEW EDITOR

Other Books Received

December, 1958

Adams, Randolph G.: *Political Ideas of the American Revolution*. New York, Barnes & Noble, Inc., 1958. 216 pages. \$1.50.

Barksdale, E. C.: *The Genesis of the Aviation Industry in North Texas*. Austin, Bureau of Business Research, 1958. 25 pages. \$0.50.

Barlowe, Raleigh: *Land Resources Economics—The Political Economy of Rural and Urban Resource Use*. Englewood Cliffs, New Jersey, Prentice Hall, 1958.

Bay, Christian: *The Structure of Freedom*. Stanford, Stanford University Press, 1958. 419 pages. \$7.50.

Bell, George A.: *The Legislative Process in Maryland*. College Park, University of Maryland, 1958. 84 pages. \$1.50.

Bloch, Herbert, and Arthur Niederhoffer: *The Gang*. New York, Philosophical Library, Inc., 1958. 231 pages. \$6.00.

Boyd, Harper W., Richard M. Clewett, and Ralph Westfall: *Cases in Marketing Strategy*. Homewood, Ill., Richard D. Irwin, Inc., 1958. 239 pages. \$4.75.

Broom, Leonard, and Philip Selznick: *Sociology*. 2d ed., Evanston, Ill., Row, Peterson & Company, 1958. 661 pages. \$6.50.

Carter, Clyde C.: *State Regulation of Commercial Motor Carriers in North Carolina*. Chapel Hill, University of North Carolina Press, 1958. 210 pages. \$5.00.

Caudill, William: *Effects of Social and Cultural Systems in Reactions to Stress*. New York, Social Science Research Council, 1958. 34 pages. \$0.50.

Chesser, Eustace: *Live and Let Live*. New York, Philosophical Library, Inc., 1958. 125 pages. \$4.75.

Cohen, Jerome B., and Arthur W. Hanson: *Personal Finance*. Homewood, Ill., Richard D. Irwin, Inc., 1958. 819 pages. \$6.50.

Crofts, Alfred, and Percy Buchanan: *A History of the Far East*. New York, Longmans, Green & Co., Inc., 1958. 626 pages. \$6.50.

Cruickshank, Henry M., and Keith Davis: *Cases in Management*. Home-

- wood, Ill., Richard D. Irwin, Inc., 1958. 232 pages. \$4.50.
- Ewers, John C.: *The Blackfeet: Raiders on the Northwestern Plains*. Norman, University of Oklahoma Press, 1958. 348 pages. \$5.75.
- Freedom and Responsibility* (Papers read at a Study Group on Science and Freedom held in Paris, August, 1956). Committee on Science and Freedom, 1958. 53 pages.
- Ginzberg, Eli, and James K. Anderson: *Manpower for Government: a Decade's Forecast*. Chicago, Public Personnel Association, 1958. 31 pages. \$2.00.
- Goode, Cecil E.: *Personnel Research Frontiers*. Chicago, Public Personnel Association, 1958. 176 pages. \$3.50.
- Grabill, Wilson H., Clyde V. Kiser, and Pascal K. Whelpton: *The Fertility of American Women*. New York, John Wiley & Sons, Inc., 1958. 448 pages. \$9.50.
- Holmes, Arthur S., and Francis E. Moore: *Audit Practice Case: The Hollingsworth Gear Co.* 5 vols. 5th ed., Homewood, Ill., Richard D. Irwin, Inc., 1958. \$6.50.
- Holmes, Arthur W., Gilbert P. Maynard, James Don Edwards, and Robert A. Meier: *Intermediate Accounting*. Homewood, Ill., Richard D. Irwin, Inc., 1958. 866 pages. \$7.50.
- Hunt, Pearson, Charles M. Williams, and Gordon Donaldson: *Basic Business Finance*. Homewood, Ill., Richard D. Irwin, Inc., 1958. 911 pages. \$7.00.
- Karrenborck, Wilbert E., and Harry Simons: *Intermediate Accounting*. 3d ed., Dallas, South-Western Publishing Company, 1958. 982 pages.
- Kelley, Eugene J., and William Lazer: *Managerial Marketing*. Homewood, Ill., Richard D. Irwin, Inc., 1958. 508 pages. \$6.00.
- Lee, Grace C., Pierre Chaulieu, and J. R. Johnson: *Facing Reality*. Detroit, Correspondence, 1958. 175 pages. \$0.50.
- McClelland, David C., Alfred L. Baldwin, Urie Bronfenbrenner, and Fred L. Strodbeck: *Talent and Society*. Princeton, D. Van Nostrand Company, 1958. 275 pages. \$3.75.
- McDaniel, E. F.: *Discovering the Real Self*. New York, Philosophical Library, Inc., 1958. 116 pages. \$3.75.
- Magee, John H.: *Life Insurance*. Homewood, Ill., Richard D. Irwin, Inc., 1958. 819 pages. \$6.95.
- Morgenthau, Hans J.: *Dilemmas of Politics*. Chicago, University of Chicago Press, 1958. 390 pages. \$7.50.
- Nafziger, Ralph O., and David Manning White (eds.): *Introduction to Mass Communications Research*. Baton Rouge, Louisiana State University Press, 1958. 244 pages. \$5.00.
- Nye, F. Ivan: *Family Relationships and Delinquent Behavior*. New York, John Wiley & Sons, 1958. 168 pages. \$4.95.
- O'Donnell, Maurice E.: *Municipal Revenue Sources in Maryland*. College Park, University of Maryland, 1958. 38 pages. \$1.00.

- Owens, Richard N.: *Business Management and Public Policy*. Homewood, Ill., Richard D. Irwin, Inc., 1958. 402 pages. \$6.50.
- Peterson, Elmore, and E. Grosvenor Plowman: *Business Organization and Management*. Homewood, Ill., Richard D. Irwin, Inc., 1958. 678 pages. \$7.00.
- Plischki, Elmer: *Summit Diplomacy*. College Park, University of Maryland, 1958. 125 pages. \$2.50.
- Polanyi, Michael: *Personal Knowledge Toward a Post-Critical Philosophy*. Chicago, University of Chicago Press, 1958. 428 pages. \$6.75.
- Preu, James (ed.): *The Negro in American Society*. Tallahassee, Florida State University, 1958. 89 pages.
- Proceedings of the Fourth Governmental Accounting and Finance Institute*. Austin, Institute of Public Affairs, 1958. 37 pages.
- Proceedings of the Texas Conference on Metropolitan Problems, May 16-17, 1958*. Austin, Institute of Public Affairs, 1958. 102 pages. \$2.00.
- Radcliffe-Brown, A. R.: *Method in Social Anthropology*. Chicago, University of Chicago Press, 1958. 189 pages. \$3.75.
- Richards, Max D., and William A. Nielander: *Readings in Management*. Dallas, South-Western Publishing Company, 1958. 882 pages.
- Roucek, Joseph S.: *Juvenile Delinquency*. New York, Philosophical Library, Inc., 1958. 370 pages. \$10.00.
- Schmidhauser, John R.: *The Supreme Court as Final Arbiter in Federal-State Relations, 1789-1957*. 241 pages. \$5.00.
- Schneider, Louis, and Sanford M. Dornbusch: *Popular Religion*. Chicago, University of Chicago Press, 1958. 173 pages. \$4.50.
- Sheldon, Henry D.: *The Older Population of the United States*. New York, John Wiley & Sons, Inc., 1958. 223 pages. \$6.00.
- Shull, Fremont A., Jr.: *Selected Readings in Management*. Homewood, Ill., Richard D. Irwin, Inc., 1958. 408 pages. \$4.95.
- Stephan, Frederick F., and Philip J. McCarthy: *Sampling Opinions*. New York, John Wiley & Sons, Inc., 1958. 451 pages. \$12.00.
- Stockton, John R.: *Business Statistics*. Dallas, South-Western Publishing Company, 1958. 615 pages.
- Sweeney, Stephen B. (ed.): *Metropolitan Analysis*. Philadelphia, University of Pennsylvania, 1958. 189 pages. \$4.00.
- Tannenbaum, Arnold S., and Robert L. Kahn: *Participation in Union Locals*. Evanston, Ill., Row, Peterson & Company, 1958. 275 pages. \$5.50.

News and Notes

Agricultural Economics

Louisiana State University

FLOYD L. CORTY, formerly of Mississippi State College, has joined the staff as assistant professor. He will do research in land and water economics.

WILLIAM H. ALEXANDER, associate professor, is on sabbatical leave and is studying at the University of Illinois.

CARL D. MEADOR has resigned to accept a place on the staff of the milk-market administrator in Dallas.

CLYDE ST. CLERGY is engaged in research on forest products at the North Louisiana Hill Farm Experiment Station at Homer.

JASPER STEVENS, formerly of Texas Agricultural and Mechanical College, has been made a research associate.

HARLON D. TRAYLOR has been made assistant professor. He will do research in marketing.

Texas A. and M. College

L. D. GABBARD has retired as professor after thirty-six years of service. He was head of the Department from 1922 to 1953 and has been on modified service for the past five years.

ROBERT E. BRANSON has been promoted to professor.

WALTER E. PAULSON has retired as professor after some thirty years of service.

CLARENCE A. MOORE has been promoted to associate professor.

HOWARD S. WHITNEY, assistant professor, has received the Charles N.

Shepardson Award of \$500 for the current year. The award was established to promote excellence in teaching at this school.

Business Administration

New Mexico Highlands University

GLADYS R. SHAW has been appointed instructor.

Tulane University

CLINTON A. PHILLIPS, associate professor of business administration, and ROBERT FRANCIS KELLY, instructor in marketing, are new staff members.

University of Texas

Texas Business Review for July contains a brief history of the College of Business Administration, written by STELLA TRAWEEK, assistant professor of business statistics. Included also is an architect's drawing of the new building for Business Administration and Economics, to be erected at the corner of Speedway and 21st Street at a cost of approximately \$4 million. The office wing of the building will be seven stories and will provide about two hundred offices, plus administrative accommodations. A five-story classroom wing will contain thirty-nine general-use rooms, nineteen laboratories, and eight seminar rooms. Space is also allocated for a series-700 computer. The tentative date for occupancy is September, 1961.

C. P. BLAIR, assistant professor of

international trade and resources, has been made an assistant dean.

JAMES A. BYRD has resigned to accept a place with the National Bank of Commerce, Houston.

JACK W. CASHIN has been promoted to associate professor of finance.

EDWARD W. CUNDIFF, who comes from Syracuse University, has been appointed professor and chairman of the Department of Marketing.

ALFRED G. DALE has returned to duty as assistant professor of statistics after a year's Ford Foundation fellowship.

W. BAKER FLOWERS has resigned to accept an appointment to the staff of the University of Washington.

DENNIS FORD, JR., has resigned to take an appointment at Texas College of Arts and Industries.

DALE S. HARWOOD, JR., has accepted an appointment at the University of Oregon.

RICHARD C. HENSHAW, JR., has been granted an additional year's leave to continue study and research at Stanford University.

JACK W. LEDBETTER has been made an assistant professor of business law.

E. KARL MCGINNIS, professor of business law and real estate, has retired from active duty and assumed the status of professor emeritus.

FRANCIS S. MAY has been promoted to the rank of associate professor of business statistics.

EDWIN W. MUMMA, associate professor of management, has been made an assistant dean.

JUDSON NEFF has assumed his new duties as professor of management.

PARLEY M. PRATT, assistant profes-

sor of marketing, has been appointed director of placement.

ROBERT W. RYAN has returned to the campus after a year with the Southwest Research Institute.

FLORENCE M. STULLKEN, beloved by generations of secretarial students, retired at the beginning of the current year.

JOHN ARCH WHITE, professor of accounting, has been appointed acting dean of the college.

Economics

Tulane University

W. DAVID MAXWELL has joined the staff as an assistant professor.

University of Kansas City

ARTHUR G. BILLINGS has been appointed associate professor.

University of Texas

WARREN E. ADAMS, of Swarthmore College, has been appointed an assistant professor.

JOSEPH A. BILLINGS, head of the Department of Economics at the University of Corpus Christi, has taken a year's leave to study at this school.

WENDELL C. GORDON has received a promotion to full professorship.

BENJAMIN HIGGINS, of the Center for International Studies, Massachusetts Institute of Technology, is serving as a visiting professor for the fall semester.

H. H. LIEBHAFSKY has been promoted to the rank of associate professor.

DILMUS D. JAMES has resigned to become an assistant professor at Texas Western College.

GRADY MULLINIX, formerly of this Department, has been made an associ-

ate professor at Fresno State College (California). He will specialize in industrial relations.

WALTER C. NEALE, formerly of Yale University, has been added to the staff as an assistant professor.

West Texas State College

OLIVER F. GUINN, formerly of the University of Texas, has joined the staff as an instructor.

Government

University of Houston

JAMES R. JENSEN has been promoted to associate professor. He will continue as director of the Public Affairs Research Center.

BANCROFT C. HENDERSON has been made an assistant professor.

University of Texas

Reassignment of administrative posts has produced several new departmental appointments. H. MALCOLM MACDONALD is new departmental chairman, EMMETTE S. REDFORD has been made graduate-student advisor and JAMES R. ROACH has become advisor to undergraduate students. WILFRED D. WEBB, assisted by MELVIN P. STRAUS, is in charge of the required sophomore course.

RONALD BUNN has received a grant from the University Research Institute for the study of German trade-union politics.

J. ALTON BURDINE has accepted a double appointment as dean of the College of Arts and Sciences, and associate dean of the Graduate School.

Re-organization of the graduate program has resulted in the abolishing of several courses and the addition of some new ones. To make it unnecessary for

students to have to use undergraduate courses for graduate degrees, six new graduate courses have been created, one for each of the divisions of work in the Department, plus a series of specialized graduate seminars.

History

University of Houston

EDWARD EVERETT DALE, formerly research professor at the University of Oklahoma, has been named the M. D. Anderson Professor of History.

MURRAY A. MILLER has retired and taken the status of professor emeritus.

ALLEN J. GOING has been promoted to a professorship.

CHARLES A. BACARISSE and JACK A. HADDICK have been promoted to associate professorships.

RONALD F. DREW, ROBERT L. GANYARD, and ROBERT I. GEISBERG have been promoted to assistant professor.

Kansas State College

FRED L. PARRISH returned to duty in July after a tour of Asia while on a sabbatical leave. He has announced his retirement as head of the Department.

HOMER E. SOCOLOFSKY has compiled a bibliography of theses pertaining to Kansas, to be published by the Kansas State Press in the near future. Meanwhile the material is available in mimeographs.

WILLIAM F. ZORNOW has taken leave of absence for the current year to prepare a text on the economic history of the United States. He is author of *Kansas: A History of the Jayhawk State*, recently published by the University of Oklahoma Press.

JAMES C. CAREY has become acting head of the Department.

Louisiana Polytechnic Institute

JOHN E. MCGEE has retired as professor of European history after twenty-nine years at this institution. His position is being filled by PHILLIP A. WALKER, formerly of Mississippi Southern College.

New Mexico College of A. & M. A.

IRA G. CLARK is author of *Then Came the Railroads*, published this year by the University of Oklahoma Press. The study is reviewed in this issue of the QUARTERLY.

Oklahoma State University

FREDERICK C. BARGHOON, of Yale University, served as a 1958 summer lecturer and delivered three lectures on "The Soviet Challenge to America."

JOHN J. BEER, formerly of Eastern Illinois University, has been made assistant professor of the history of science.

SIDNEY D. BROWN taught in the summer Institute on Asia at the University of Kansas.

BERLIN B. CHAPMAN has resumed teaching duties after two years' leave of absence in Washington, where he pursued research on the Otoe, Missouri, and Creek Indians.

LLOYD W. GOSS, formerly of Oklahoma State, has taken a position as assistant professor at Murray State School of Agriculture (Tishomingo, Oklahoma).

JAMES HENDERSON, formerly of the College of the City of New York, has been appointed instructor.

ROBERT W. JACOB has taken a position as assistant professor at Central College (Fayette, Missouri).

GEORGE E. LEWIS has resigned to become professor and head of the Depart-

ment of History at Modesto Junior College (California).

MILTON I. VANGER has gone to Sacramento State College as assistant professor.

Southeastern State College

JAMES DAVID MORRISON, formerly professor of history and head of the Social Sciences Department, has become dean of instruction.

DEAN MORRISON is co-author, with EDWARD EVERETT DALE, now of the University of Houston, of *Pioneer Judge: The Life of Robert Lee Williams*.

JOHN HUNZIKER has been made head of the Social Sciences Department.

Sociology*University of Kansas*

CARROLL D. CLARK served on the staff of the Executive Development Program during the summer.

ROBERT C. SQUIER, formerly of the University of California, has joined the staff as assistant professor of anthropology.

CHARLES A. VALENTINE, formerly of the University of Pennsylvania, has also been made an assistant professor of anthropology.

RUPERT I. MURRILL has resigned to become an assistant professor at the University of Minnesota.

MURSTON M. MCCLUGGAGE has returned after spending a year as visiting professor of human relations in the School of Business of the University of Washington.

JOHN T. GULLHORN has gone to Michigan State as an assistant professor.

LOUISE SWEET has received a Social Science Research Council grant to study

Near East culture. She will spend the year in Iraq.

E. JACKSON BAUER has received grants for a study of public opinion on methods of flood control and for a study of sociological factors in academic achievement.

LAWRENCE S. BEE is author of the recently published *Marriage and Family Relations*.

E. GORDON ERICKSON has returned after spending the summer as visiting professor at Washington University and is continuing research on the population of the West Indies Federation, employing the concept of countervailing power as applied to demographic factors.

CARLYLE S. SMITH presented a paper on his field work in the Great Plains area at the International Congress of Americanists in Costa Rica during the summer. He is preparing reports of the Norwegian archeological expedition to Easter Island and the Eastern Pacific in addition to papers on Great Plains excavations.

CHARLES K. WARRINER, recipient of a Fulbright grant, is spending the year in the Philippines pursuing his study of leadership among the Moros.

Oklahoma State University

EDWARD MANNING DAY (1872-1958) who, after many years as a teacher and an administrator in the public schools of Texas, taught sociology at Oklahoma State University from 1925 until his full retirement in 1949, died on September 19, 1958, following a prolonged period of failing health. Professor Day devoted his entire energy as a college teacher to activities in the classroom, where his contribution con-

sisted primarily of introducing beginning and intermediate students to their foundational courses in sociology. A meticulously careful teacher and critic, he considered the supreme function of the instructor to be that of imparting knowledge to, and of inculcating character in, his students.

PAUL H. VOSSICK, formerly instructor in sociology at the University of Texas, was appointed assistant professor, replacing ROBERT H. FOSEN, resigned.

University of Texas

WARNER E. GETTYS was honored this fall with a special series of lectures by five eminent sociologists, all of whom had part of their training at this institution:

LOGAN WILSON, president of the University, spoke on October 2 on "Some Aspects of the University as a Social Organization."

KINGSLEY DAVIS, University of California, spoke on October 16 on "Theory and Significance of Metropolitan Decentralization."

C. WRIGHT MILLS, Columbia University, appeared on October 23, speaking on "Characteristics of Our Time."

WILLIAM J. GOODE, also of Columbia University, spoke on November 6, using as his title "World Changes in Family Patterns."

MARION J. LEVY, of Princeton University, closed the series on November 18 with the paper "Historical Materials as Basic Sources for Sociological Findings: China, Japan, and Modernization."

REESE J. MCGEE has been named executive secretary to handle routine departmental business, following the retirement of WARNER E. GETTYS as de-

partmental chairman. HARRY E. MOORE has been elected chairman of the Budget Council of the Department.

DONALD F. ALLEN has been made an instructor.

IVAN BELKNAP has returned for part-time teaching duty while continuing his research on hospital facilities in the Rio Grande Valley area.

HENRY A. BOWMAN is serving this year as president of the National Council on Family Relations.

WALTER FIREY devoted full time during the summer and fall terms to research on water-resource uses in Texas.

REESE J. MCGEE is co-author, with THEODORE CAPLOW, of *The Academic Marketplace*, published in September by Basic Books. The book reports a study of occupational mobility of faculty members in nine major universities, including the University of Texas.

CARL M. ROSENQUIST has been placed on research duty for the fall semester to develop his study of juvenile delinquency in San Antonio and Monterrey.

GIDEON SJOBERG had a research grant for the summer to continue research on the preindustrial city. He will serve as chairman of the section on urban sociology for the next meeting of American Sociological Society.

ROBERT L. SUTHERLAND is directing a study of the rehabilitation of former patients of state psychiatric hospitals following their return to their homes. FRED R. CRAWFORD and GLENN ROLINS are doing field work on the study. The study is financed by a grant from the National Institute for Mental Health.

Washington University

PAUL J. CAMPISI and ROBERT L. HAMBLIN are participating in a study

of the adjustment of rural migrants in the urban area through a grant by the National Conference of Christians and Jews. Dr. Hamblin is also research director of a study investigating factors of conformity and nonconformity of adolescents, a project of the Social Science Institute with funds from the American Social Hygiene Association. In July, he attended the Conference on Simulation of Cognitive Processes, at Santa Monica, California, supported by funds of the Social Science Research Council.

DAVID B. CARPENTER is working on a comparative study of urbanization, with special emphasis on Japan-United States contrasts.

N. J. DEMERATH was a consultant for World Health Organization's Pan-American Sanitary Bureau on the administration of social research in international health programs. He was in South America for six weeks during the summer. Demerath served as president of the Society for Applied Anthropology in 1957/58.

JULES HENRY is participating in a study of geriatric nursing as consultant to the University's School of Nursing. The U.S. Public Health Service is supporting the research. During the summer, he continued his work with disturbed children at the Sonia Shankman Orthogenic School of the University of Chicago. In October, he went to Copenhagen as a United States delegate to the WHO Conference on Mental Health of Children.

JOSEPH A. KAHL spent the summer as a visiting professor at Mexico City College to continue research in a Mexican factory on the social effects of industrialization.

ROBERT J. MILLER has prepared a

monograph, "Sherpa Tendencies Toward Nationalism," on a grant from the Graduate School of Arts and Sciences.

RALPH C. PATRICK was on leave during 1957/58 to direct the production of thirty-six television programs on values in American life for the Educational Television and Radio Center. The production used KETC, the St. Louis educational station. Patrick became an associate professor in the School of Public Health, University of North Carolina, in September.

DAVID PITTMAN, from the University of Rochester, and ALBERT WESSEN, from the University of Vermont, joined the Department in September as assistant professors and were appointed also to the Social Science Institute and the

Department of Psychiatry. Wessen will also be on the staff of the Jewish Hospital in St. Louis.

STUART A. QUEEN, member of the Department for twenty-six years and its chairman for twenty-four years, one-time president of the American Sociological Society, author of numerous books and articles, was appointed professor emeritus in June. In September he became a visiting professor at the University of Wichita.

STANLEY SPECTOR has been appointed associate professor of Far Eastern Affairs. In June he began a fifteen months' leave of absence on a grant from the Social Science Research Council. He will study the role of intellectuals in the political life of Singapore and Malaya.

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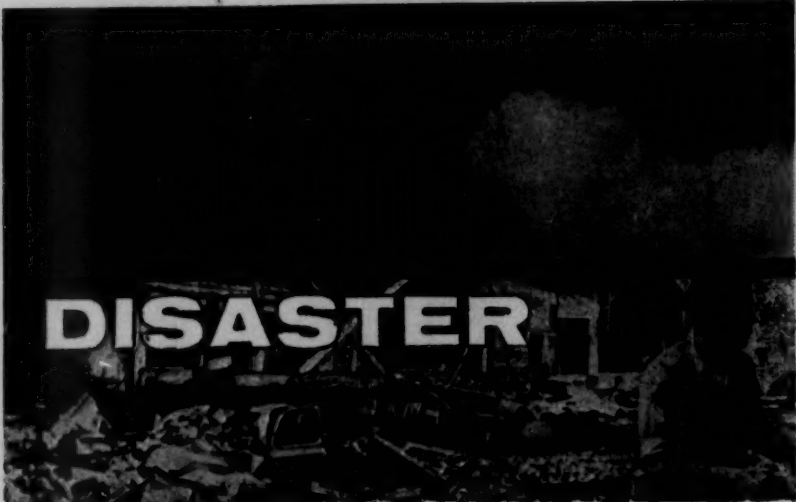
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